

Scheme phased in over four years

# Clarke orders appraisal of all teachers

By JOHN O'LEARY, HIGHER EDUCATION CORRESPONDENT

TEACHERS in England and Wales will face compulsory appraisal every two years, Kenneth Clarke, the education secretary, announced yesterday in a reversal of government policy that was established only three months ago.

Mr Clarke's decision to abandon the voluntary system established by his predecessor, John MacGregor, will be followed today by further action forcing local education authorities to devote more spending to schools. New measures are also being considered to encourage more schools to opt out of local authority control.

The appraisal scheme will be phased in over four years, with half of the teaching force being assessed by the summer of 1993 and the rest in the following two years. Senior staff will observe teachers in the classroom and then discuss their performance and set achievement targets at interviews.

Appraisal will not be directly linked to pay or disciplinary procedures, but may be taken into account by head

teachers. Individual teachers' targets will be available to chairmen of governors, but their assessments will remain confidential. Head teachers will also be subject to appraisal by local authority or voluntary body appointees.

Mr Clarke's first policy initiative in his new role signalled his intention to restore the Conservatives as the natural custodians of education standards. Labour has led consistently on education in recent opinion polls.

Both parties have identified education as a battleground for the next election. Labour spokesmen are touting the country promoting the party's policy, launched last week, which has compulsory teacher appraisal as a central feature.

Mr Clarke said that he had decided to reverse the decision of Mr MacGregor to make appraisal voluntary because of the low take-up by local authorities and the strength of reaction after the announcement in September. Many authorities had planned only small-scale schemes for volunteers, while 18 had planned none at all.

Mr Clarke has opted for a cut-price system, adding only £1 million a year to the £9 million made available by Mr MacGregor for the voluntary scheme. More of the costs will now fall on the schools, since Mr Clarke expects senior staff to conduct appraisals as part of their normal work, and training to take place outside school hours. Much of the original cost was associated with the payment of temporary staff to cover the absence of appraisers.

Mr Clarke said: "Teachers will welcome this as a strengthening of their professional status and a method of developing their full potential. I am equally sure that all parents will welcome a requirement for the performance of teachers to be appraised regularly."

He emphasised that appraisal was intended to develop the professionalism of teachers and predicted that it would soon be accepted, as it is in other occupations. "If someone is not capable of managing and teaching a class to a required standard, they should be expected to leave the job. There are processes

through which that can be done now, but it is a mistake to think of the introduction of appraisal as aimed mainly at dismissing bad teachers. It is aimed at raising the performance of all teachers. There would be no set national criteria, although methods would need to be compatible between authorities.

Mr Clarke is to consult on the changes before introducing new regulations in Parliament. The interim advisory committee on school teachers' pay and conditions is being asked to consider amendments to conditions of service to oblige teachers to participate.

Teacher unions last night generally welcomed the outline of the scheme, but expressed disappointment at the level of funding. Only the National Association of Schoolmasters and Union of Women Teachers promised direct opposition. The National Union of Teachers and the National Association of Head Teachers welcomed the absence of a direct link between pay, discipline and appraisal.

Jack Straw, Labour's chief education spokesman, also welcomed the decision but added: "Mr Clarke's refusal properly to fund appraisal shows that he has learnt very little about good management practice while at the Department of Health. Labour has promised to implement to full scheme recommended by the national steering group after pilots last year, at a cost it now puts at £45 million."



Family reunion: Edward May hugging his wife, Barbara, and son, David, at Heathrow airport yesterday

## Hostages flood back to UK as Iraq keeps word

By PAUL WILKINSON

THE trickle of British hostages returning from Iraq was turning into a flood last night as President Saddam Hussein appeared to be standing by his promise to release his strategic human shield by Christmas.

Aircraft were shuttling between Baghdad and the West, ferrying scores of expatriates home in time for the holiday season. Among them were many people who had finally broken cover in Kuwait after evading Iraqi troops for more than four months.

More than 100 hostages arrived at Heathrow yesterday. Last night an Iraqi Airways jumbo jet carrying 384 hostages left Baghdad. It was expected to land at Gatwick at 11 pm.

Two other jets, chartered by the British embassy in Iraq, were on standby today at Baghdad airport ready to fly to Kuwait to collect the estimated 440 Britons thought to be in the country, either held by the Iraqi invaders or still in hiding. If events go according to plan, they will be transferred onto a jumbo jet at Baghdad for the flight to Britain, scheduled to leave at 1 pm today.

Britons, still in hiding in Kuwait, are expected to respond to Foreign Office advice broadcast over the BBC World Service to meet at 6 am at the airport today for the flights to Baghdad.

Douglas Hogg, a junior Foreign Office minister, said yesterday: "By the end of the week, we very much hope we will have all of the hostages and detainees out from Iraq and Kuwait. We have been broadcasting on the World Service, encouraging people to come out of hiding because, of course, they might miss the aircraft."

Mr Hogg was at Heathrow to greet some of the 101 Britons on a flight from Frankfurt which had picked up hostages from an American-chartered Iraqi jet ferrying more than 200 foreign nationals from Baghdad.

A British Airways crew member on the Frankfurt flight said: "The relief was enormous. They were just so exuberant and happy. We brought out the champagne

## Official blizzard enquiry

By STAFF REPORTERS

AN OFFICIAL investigation into how the authorities coped with the weekend blizzards was launched last night as MPs joined the chorus of complaints about the disruption.

Malcolm Rifkind, the transport secretary, said he had asked his department to review arrangements for dealing with the sudden onset of severe weather conditions.

As the worst of the weather moved towards the Continent, mopping up operations began. People in the North and Midlands had to contend with flood water on roads, thousands of homes without electricity and roads blocked by abandoned vehicles.

The bad weather caused at least eight deaths over the weekend.

Jaguar is laying off nearly 5,000 workers after snow closed the company's main production plant in Coventry yesterday. Assembly workers

## Value of electric shares may rise by 50%

By MARTIN WALLER

INVESTORS in the 12 regional electricity companies should see paper profits of up to 50 per cent when dealings in the shares start this afternoon, according to indications from the unofficial "grey market" last night.

It is unlikely, however, that many will be in a position to take their profits. Advisers to the £5.2 billion flotation say they cannot guarantee that share certificates will be in the post by Christmas.

More than 100,000 of the 5.7 million people who applied for the shares will miss out completely because of the heavy scaling-back announced yesterday. Several hundred more people have not received any allocations because they are suspected of making multiple or ineligible applications. Advisers said that dishonest applications will, however, probably be disclosed by computer checks over coming months.

Customers and smaller investors are as expected to be favoured, although the differing sizes of the 12 regions and the varying levels of application response has led to big regional variations. Non-customers in areas covered by Manweb, Northern, South Wales and South Western boards can only expect an allocation if they have applied for the bare minimum of 100 shares. In the case of Seaboard, the most popular of the 12 regions, they will only receive 50 shares if they have applied for 100.

Applicants for shares in boards which are larger or less popular will be more lucky. In the case of Southern, non-customers are only ruled out completely if they have applied for more than 1,500 shares.

"Grey market" prices which had averaged at 136p prior to the news of allocations, rocketed once the figures were known. The average was above 145p, against a part-paid price of 100p a share, while Northern and Manweb were at 149p and South Wales was just 1p lower.

As a result, analysts were predicting chaos when dealing starts today, as institutions keen to balance their portfolios find few sellers.

Frank Dobson, shadow energy secretary, said: "The oversubscription is in direct proportion to the underpricing."

### 15% pay deal for Peugeot

More than 4,000 Midland car workers at Peugeot Talbot have been offered pay rises worth up to 15 per cent.

This award appears to fly in the face of government appeals that employers and unions must curb wage-led inflation if Britain is to avoid job losses. Page 22

### DeFreitas call



Phillip DeFreitas, the Lancashire all-rounder, is to join the England cricket squad in Australia. He flies out today because of concern over Gladstone Small, who has a thigh injury. Page 42

### Government list

Today we publish a complete list of all the members of John Major's government. Page 4

### Trade initiative

The prime minister is to use his forthcoming talks with European leaders and President Bush to pave the way for progress in the collapsed world trade talks. MPs were told. Page 9

### Tyminski held

Stanislaw Tyminski, the emigre businessman who contested the Polish presidential election has been ordered not to leave the country until defamation charges have been investigated. Page 10

### Sales fall

Retail sales dropped another half per cent last month increasing fears that retailers will end a lean year with a poor Christmas. The pound suffered a fall on rumours that base rates may have to be cut soon. Page 23

### Engineers' list

A full list of newly qualified Chartered Engineers and Incorporated Engineers is published today. Page 27

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## Soviet Union asks US for food aid

FROM MARTIN FLETCHER IN WASHINGTON

THE Soviet Union said publicly for the first time yesterday that it wanted food aid from its old Cold War adversary, the United States, and the Bush administration signalled help would be given.

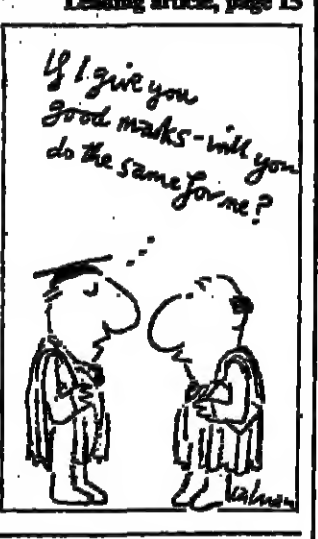
Before meeting James Baker, the Secretary of State, in Houston, Edward Shevardnadze, the Soviet foreign minister, admitted his country's "most acute problem" of food shortages. The Soviet Union would "appreciate" some food supplies and "efficient economic co-operation".

Mr Baker told reporters that "as far as humanitarian assistance, food and that sort of thing, I know the president will be very forthcoming with respect to trying to help."

US aid will very likely include the warping by President Bush of the 1974 Jackson-Vanik legislation, thus extending preferential trading status to the Soviet Union and allowing it to buy US grain on favourable export credit terms. The administration is said to be considering credit guarantees of \$1 billion.

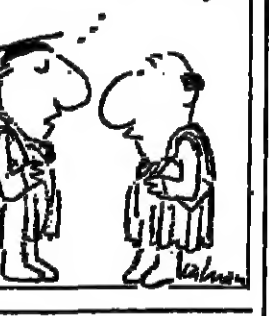
As Mr Baker held out the prospect of aid to Moscow, Mr Bush had a brief meeting with President Landsbergis of Lithuania which was kept as low-profile as possible.

MOSCOW: General Igor Rodionov, a hardliner, was summoned for an urgent meeting with Mr Gorbachev yesterday (Mary Dejevsky writes). It came amid persistent rumours in the Baltic republics that Moscow planned military action.



Leading article, page 15

If I give you food, marks - will you do the same for me?



Protests at home, page 10

## Taste of freedom at the village pub

By BILL FROST

FLUTTERING yellow ribbons were attached to every tree in the garden of the converted 19th-century stable block at Shipbourne in Kent where the freed hostage Edward May returned home with his wife and son yesterday. Silk ribbons had been tied to the door knocker and the aerial on the family car as well.

"It is the best day of my life," said Mrs Barbara May, aged 39, as she clung tightly to her husband's arm. She said the couple's four-month enforced separation had been "like being aboard an emotional roller-coaster." Each day of her husband's captivity, first in Kuwait and then at a chemical plant in northern Iraq, Mrs May sent him long letters. Relatives, friends and neighbours rallied round but it was her son, David, aged 12, who proved the most invaluable supporter. "He would turn off the TV news if it was a depressing item about the Gulf and return to a comedy programme instead. He helped so much." Mr May, aged 44, who works for the United Bank of Kuwait, was taken hostage last August. For much of his captivity he was held in a house at Kuwait University. "I was with some level-headed people and we kept our emotions in check, although the boredom was appalling," he said.

Mr May kept anxiety, anger and homesickness at bay by reading books which had not been stolen or burnt by Iraqi troops. "I also wrote some semi-autobiographical short stories on a computer we found which had, miraculously, not been broken or looted. Unfortunately I wiped them one day while I was being hectorated by an Iraqi soldier," he said.

He was moved to a chemical weapons plant at Samarra in northern Iraq. "I felt terrible then. It was a grim and sinister place with anti-aircraft batteries everywhere and blast-proof walls. We faced two possibilities: a Western air strike if war broke out, or, perhaps worse, an accident in the plant and a leak of some chemical weapons gas."

He celebrated his homecoming yesterday with a pint at the village pub.

## Peer's £118m will may sidestep the taxman

By ALAN HAMILTON

ENOUGH money to buy 50 Challenger tanks, or build half a frigate, or pay almost the entire overtime bill of the Metropolitan Police for a year, may have just slipped through the fingers of the Inland Revenue.

The will of the 6th Marquess of Cholmondeley, published yesterday, has disclosed that he left £118,221,949 net (£119,847,956 gross), the highest will ever proved in the United Kingdom.

Tax experts agreed, however, that the government was unlikely to get its hands on more than a minute fraction of it.

Lord Cholmondeley, who died in March aged 70, held the ceremonial post of Lord Great Chamberlain, responsible for looking after parts of the Palace of Westminster. His wealth came from land in Cheshire and Norfolk, and the key to his estate is Houghton Hall, the

family seat near Kings Lynn built in the 18th century for Sir Robert Walpole, Britain's first recognised prime minister.

In his will, the marquess directed that his personal chattels be held on trust and "used by his lineal descendants who succeed to the Marquessate of Cholmondeley". The remainder of his estate, including any undisposed of chattels, were bequeathed to his son, the 7th marquess. Staff at the family's other house, Cholmondeley Castle, near Malpas, Cheshire, said yesterday that the 30-year old inheritor of the title and estate was abroad, and not available for comment.

Solicitors representing the family confirmed last night that the bulk of the estate was represented by Houghton Hall, which is open to the public and contains an impressive collection of works of art and artefacts. Houghton, designed by the architect Colin Camp-



Lord Cholmondeley: £118 million will

EXHIBITION

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## Waldegrave pressed to end strikes at top-security hospitals

By QUENTIN COWDRY, HOME AFFAIRS CORRESPONDENT

WILLIAM Waldegrave, the health secretary, was under pressure yesterday to attempt to end the strikes at the Rampton and Ashworth top-security hospitals that have led to scores of severely mentally disturbed patients being locked in their rooms.

As the hospitals braced themselves for a third day of strike action, the mental health organisation Mind, said that the disruption could drive some patients to suicide and set back the recovery of many others. One patient has killed himself since the action began on Saturday.

Ros Hepplewhite, Mind's director, called on the minister to intervene in the dispute between the Prison Officers' Association (POA) and the Special Hospitals Service Authority, which manages the institutions, and said: "I fear that for many patients the consequences will be seen in further drastic infringements of their civil liberties and, for some, a devastating and profound deterioration in their mental health."

Last night, the authority was still considering a union

peace package. The union says it will call off the strikes if the management submits its proposal to end staff travel-to-work allowances to genuine negotiations and reinstates three suspended nurses.

The ostensible cause of the dispute is the management's determination to phase out travel-to-work allowances. Informed observers see the confrontation as more of a trial of strength between the union and the authority, which took over the running of the Rampton, Ashworth and Broadmoor hospitals last year.

The union, which represents about 60 per cent of the authority's 3,300 staff including most of its nurses, has never overcome its initial suspicion that the new employer was intent on breaking its power. The authority sought to allay these fears by drawing up a new negotiating agreement with the POA, but the doubts persisted.

Staff at the special hospitals, containing some 1,700 patients defined as criminally insane, perform an awkward dual role, acting both as nurses and as warders. Up until

about 1980, the accent was firmly on simply containing patients, but over the past decade the emphasis has switched to providing therapy — a move that some prison officers have opposed.

The new management has clearly signalled that it wants to accelerate the trend towards a more relaxed, constructive regime. All nurses nowadays in the institutions are fully qualified and registered with the National Health Service. In spite of this, most remain fiercely loyal to the POA.

Bridget Sampson, POA branch secretary at Broadmoor hospital, at Crowthorne, Berkshire, said that nurses were deeply aggrieved that the authority was seeking to phase out travel allowances without negotiation. Mike Swinerton, the authority's personnel manager, said yesterday that the allowance could no longer be justified because there was no longer a recruitment problem. Their nurses, who received £2,050 a year extra for working in a dangerous environment, were among the best paid within the NHS.



Crash death: the crushed wreckage of a car in which a woman passenger died but from which two young children, including a two-week old baby, escaped without serious injury. The car was hit by a train yesterday on an unmanned level crossing at Cornwary, near Newquay, Cornwall. The woman driver was taken to hospital in Truro, where the two children are being treated for head injuries. Their condition is said to be satisfactory. The

car, a red Volvo estate, was pushed 30 yards down the track before the train came to a halt. There were no passengers in the train but the driver and co-driver were taken to hospital suffering from shock. The occupants of the car had to be cut out by firemen. Police believe that the accident may have been caused by bright sunlight, which could have prevented the car driver from seeing red warning lights on the crossing.

## Coroner attacks lack of juvenile remand centres

By OUR HOME AFFAIRS CORRESPONDENT

THE lack of special remand centres for juveniles was strongly criticised by a coroner yesterday after a jury returned an open verdict on a schoolboy found hanged in a cell at Swansea jail in July.

Richard Morgan, the Glamorgan coroner, said: "The saddest fact is that there was just nowhere else for this boy to go. That seems to be the nub of the tragedy. It is simply lack of resources."

His comments will embarrass ministers who have been under pressure for years to bar all juveniles from being remanded to adult jails and remand centres. Earlier this year they decided to tackle the problem by extending the network of council-run juvenile secure units. An announcement on increased funding, which has led to a dispute between the Home Office and the health department, is expected shortly.

Phillip Knight, aged 15, was remanded in custody accused of stealing a handbag. Magistrates sent him to Swansea jail after hearing that there were no juvenile secure units in Wales and that he had tried to escape from children's homes 11 times.

An open verdict was returned after the coroner said that the boy's death had not been due to lack of care by prison staff. Mr Morgan told the jury that the only other possible verdict was suicide.

Three social workers and a

probation officer told the inquest that they were concerned about the boy being held in prison and feared that he might try to kill himself. He had slashed his wrists twice previously. Prison staff, however, said that they saw nothing in his mood to indicate that he might take his life. Dr Russell Jones, the prison's doctor, described the wrist-slashing as an "expression of resentment and anger."

Charles Erickson, the jail's governor, agreed that an adult prison was not a suitable place for a schoolboy, but said that no other secure accommodation could be found.

The boy was taken into care in June 1989 after his adoptive parents decided that they could no longer tolerate his unruly behaviour. They did not attend the inquest.

Penal reformers urged the government to abolish the practice of remanding juveniles to adult jails. Deborah Coles, of Inquest, a voluntary group that investigates suspicious deaths in custody, said: "Support and trained specialist help at a secure unit should have been available to him instead of him being kept in a place where you are locked up for 23 hours a day." The criminal justice bill, now in the Commons, proposes abolishing custodial remands for boys aged 14. Courts are already barred from sending girls to adult jails.

## SFO drops enquiry into miners' funds

By TIM JONES, EMPLOYMENT CORRESPONDENT

THE Serious Fraud Office has decided not to pursue investigations into allegations that £1.4 million donated by Soviet miners during the national pit strike five years ago was misdirected by Arthur Scargill, president of the National Union of Mineworkers.

The Times reported three months ago that because of evidence and questions of jurisdiction, fraud squad officers had decided the investigation would not succeed.

Yesterday a spokesman for the SFO said: "We have received the results of the Metropolitan police investigation and we have advised them that the case does not fall within our statutory criteria."

Making the decision to call off the investigation, the police are understood to have identified two key areas which made it unlikely any action could be pursued over the handling of the union's finances during the strike.

The first was that the National Union of Mineworkers never made an official complaint and the second was based on questions of jurisdiction. The fact that money collected by Soviet and other Eastern European miners was paid into a Dublin account controlled by the Paris-based

International Miners Organisation posed serious difficulties for an enquiry by British police.

As a result of the claims, a four-man NUM team which visited Paris and the Soviet Union arrived at a compromise deal that resulted in the NUM receiving a "donation" of £740,000.

Mr Scargill still faces legal action from the trade union certification officer for alleged failure to keep proper accounts.

## Cook denies bid for leadership

Robin Cook, the shadow health secretary, denied yesterday that he was preparing to bid for the leadership of the Labour party. He issued a statement declaring that there was no vacancy and that the only post he was interested in was that of health secretary in a Labour government.

Mr Cook's action was in response to weekend reports linking him with gossip that Neil Kinnock might face pressure to stand down before the next election. For most Labour MPs there is no question at all over Mr Kinnock's position. Yet this has not prevented speculation appearing in some newspapers.

## Gold returns

Charles Haughey, the Irish prime minister, said last night that a Bronze Age gold collection due to be sold for the Duke of Northumberland at Sotheby's on Thursday was to be returned to Ireland after negotiations; it will be shown in the National Museum. He threatened legal action last month for the return of a gold collar, which Irish authorities said had been taken from the country illegally.

## Case delayed

Bad weather hit the Sonia Sutcliffe libel trial yesterday when a Midlands juror was unable to reach the High Court in London. The hearing resumes today with Mrs Sutcliffe, of Heaton, Bradford, seeking damages over a *New of the World* story in December 1988 accusing her of having an affair with George Papadimitis, a Greek tour operator. Libel is denied.

## Tests on Imbert

Sir Peter Imbert, the commissioner of the Metropolitan police, underwent medical tests yesterday at St Thomas's hospital in London. He had been taken there at the weekend after experiencing breathing difficulties. Yesterday the condition of Sir Peter, who suffered a series of heart attacks in October, was described as comfortable.

## CORRECTION

The telephone number for King's England Press, publisher of the Arthur Mee county guides, was wrongly given in Saturday's paper. The correct number is 0226 722529.

Legal brief, page 34

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# Bandsman tells inquest how bomb threw him through the air

By RAY CLARKE

A BANDSMAN who survived the worst terrorist attack on mainland Britain yesterday described how he flew through the air when a bomb exploded at the Royal Marines School of Music at Deal, Kent.

Corporal Robert Graham, who suffered shock and perforated eardrums in the blast in which 11 colleagues died, then picked himself up and despite his injuries dug in the rubble with his hands to try to rescue his friends. He told the inquest into the deaths that it had been an ordinary day before the explosion at 8.26am on Friday, September 22, 1989.

He described how about 25 marines gathered as usual in the former instruction room which was used for recreation. They were changing into their uniforms ready for band duty, chatting and drinking coffee. Minutes before the

bomb exploded he had been standing in the middle of the room when "for some unknown reason" he walked out into the foyer where he was studying a notice board when there was "an almighty explosion".

Looking tense, Corporal Graham graphically described the force of the blast: "The wall I was looking at looked as if it was a sheet that was rippling in front of me. I was being blown forward and down at the same time. I tried to straighten myself up but couldn't. I never reached the wall I was just moving towards it."

He then found himself outside the building on top of the rubble with colleagues buried all around him. "You had an amazing escape," Richard Sturt, the East Kent coroner, told him. Corporal Graham, who is still stationed at Deal, said he was probably saved by the wall which fell away from

him rather than on top of him. "I was moving with the force. Nothing came down on top of me, nothing fell on my head. I got up and turned round. There was nothing there."

He then described how he was taken away from the scene of the explosion by another marine but he went back and joined the rescue operation. "When people arrived I tried to direct them to show where people were buried under the rubble so that they would not be digging in the wrong place. I was trying to point them in the right direction."

Another bandsman, musician Michael Cole, whose right hand was bandaged, described how he was buried underneath rubble, saw a glimmer of light and managed to free one of his arms. "I was flat on my back. I woke up a lot later underneath the ceiling. I saw a

glimmer of light and using both my arms I managed to claw away the rubble from behind my head. I managed to get one of my arms out of the rubble. I could hear people above. I could hear them pulling me out of the rubble. They carried me to the side of the parade ground and I was laid on the grass."

By the end of its first day the inquest had heard details of the cause of death of seven of the bandsmen. Corporal Trevor Davis, aged 39, musician Richard Jones, 27, Corporal Dean Pavey, 31, Corporal Andrew Cleatheroe, 25, musician Richard Fice, 22, and musician Timothy Reeves, 24, all died instantly from severe blast injuries. Musician Robert Simmonds, 34, was pulled from the rubble alive but died in Buckland Hospital, Dover.

Musician Fice, who was probably sitting on the sofa where the

bomb was hidden and was blown onto the roof of the building by the force of the blast, was the most severely injured. Mr Sturt said his injuries, a fractured skull, neck, ribs and spine and gross mutilations, were the worst he had ever seen. "He would never have survived even for a split second."

The inquest, being held in Dover, also heard that dozens of bandsmen escaped injury because they were given a lie-in by John Ware, the school's director of music. In his opening remarks Mr Sturt said that normally up to 70 bandsmen would have been packed into the recreation room, known as the Coffee Boat, but on that particular Friday there were only 25 because most of the bandsmen had had a late engagement the previous evening and were given a lie-in. Mr Sturt told the jury that 11 bandsmen died,

nine instantly, one later the same day in hospital and another three weeks after the explosion. Mr Sturt drew the jury's attention to questions about security at the barracks. He said a civilian security firm, Reliance, was employed after a commando unit left the barracks nine years ago. A small number of non-bandsmen marines remained to help with security. "Both undertook regular patrols but there was no comprehensive perimeter fencing," Mr Sturt said.

Mr Sturt also indicated that it was possible to see right into the instruction room where the bomb was placed from the upstairs windows of houses in an adjoining road to the barracks. He said that one house, No 17 Campbell Road, had been rented by a young man who spoke with an Irish accent, and who had never been traced. The inquest continues today.



Sturt yesterday: "Injuries worst I have seen"

## Disruption continues but snow moves to Continent

By DAVID YOUNG

POWER cuts, road blockages and school closures greeted Britain yesterday after its first weekend of heavy snow in December for ten years. The bad weather caused at least eight deaths as rescue services were hampered by the extreme conditions.

The London Weather Centre, which had earlier predicted that the snow could spread to the South from the badly-hit Midlands, northern and western areas, has said that milder conditions are on the way.

The worst of the weather has moved towards the Continent. Heavy snow fell in France, Spain, Italy, Switzerland, Germany and Austria, halting traffic and leaving thousands without electricity. Heavy rains and wind in southern Europe closed ferry services and flooded Venice.

Small towns in Spain were cut off by snow. Snow fell in Paris, and roads were closed in south-eastern and central France. The Mont Blanc tunnel through the Alps was

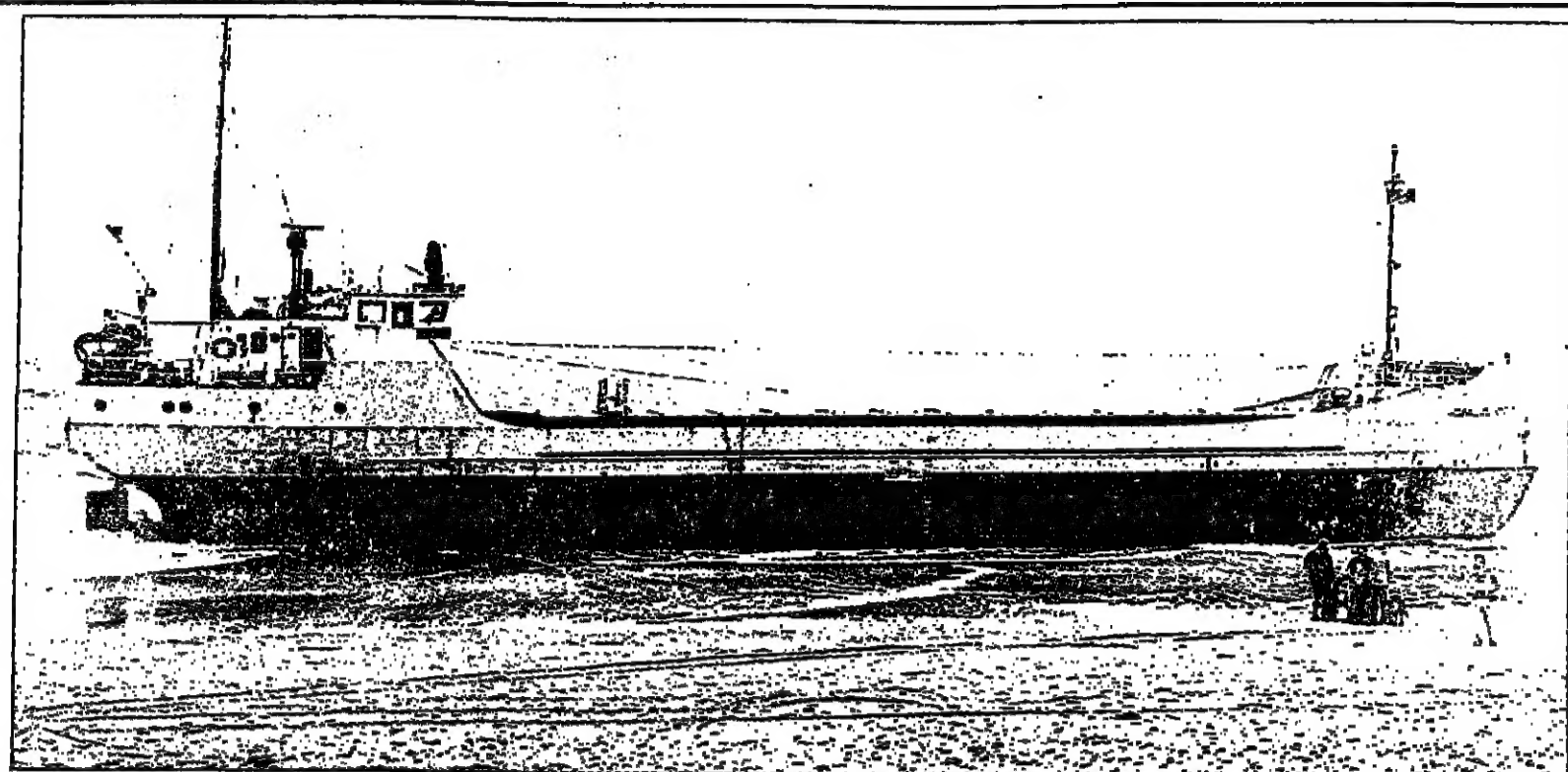
closed. Rain falling on the French Riviera flooded basements and the Nice Opera on the fashionable Promenade des Anglais.

Zermatt, in southern Switzerland, reported 36 in of snow in 24 hours.

Schools in Turin were closed as northern Italy dug out from its first pre-Christmas snow since 1964. Snow fell on Mount Vesuvius and the island of Ischia in the Bay of Naples. Wind-driven seas flooded Venice.

In Britain, the AA warned drivers of the dangers of hard-packed snow and black ice and urged commuters to share cars if they had to drive at all in affected areas. Roads remained closed in Scotland, Gloucestershire, Cheshire, Derbyshire and the North-East.

Schools in Derbyshire, Nottinghamshire, Warwickshire, Staffordshire, Shropshire, and Hereford and Worcester were closed and in the East Midlands workers were trying to restore power to thousands of



Stranded: the 500-ton coaster Candour on the beach at Caister, Norfolk, yesterday after being driven ashore by gales

homes cut off during the snowstorms.

Householders in the Midlands were the worst hit. The Nottingham-based East Midlands electricity company said that 300,000 customers were without supply. Some isolated communities in Warwickshire and Derbyshire whose electricity has been cut off since the weekend were warned that it could take until the end of the week to restore it.

The weekend storms have mapped the thick poles carry-

ing the supply, leaving a long reconnection task. A spokesman said that, at the peak of the storm, 500,000 customers in the East Midlands were cut off.

In the West Midlands, about 45,000 customers were still cut off in the Worcester, Shropshire and Hereford areas. There were also about 9,000 cut off in the south Birmingham area. In Wales, 3,500 were cut off in the rural areas of Clwyd and Gwynedd.

Peter Walker, the former energy secretary, criticised electricity companies for keeping the public in the dark about weekend power cuts. He accused the Midlands electricity board of not providing enough information.

Mr Walker, Conservative MP for Worcester, was among the 100,000 people in the area who suffered power cuts. He and his family had to put on extra clothing and find their way about with torches.

In Yorkshire, about 400 people were still without electricity, and Yorkshire Water customers in Leeds were having to draw supplies from emergency tankers. The Severn-Trent water company warned most of its 8.25 million customers to boil water for the next few days. A spokeswoman said that only people living in Birmingham, Worcester and Gloucester could rely on the water supply, because supplies there had not been interrupted. She said that about 250,000 homes were still without water, including 80,000 at Telford, Shropshire, and 100,000 at Nuneaton, Warwickshire.

While the icy weather swept southwards yesterday into Kent, Essex and East Anglia, British Rail reported that InterCity services were running normally.

An RAF helicopter airlifted 12 stranded guides and brownies from an old school used as a hostel at Great Ayn, near Stratford-on-Avon, Warwick-

shire, where they had been cut off by snow since Saturday morning. The RAF was first called in on Sunday to drop blankets and warm clothes to the children, and a Wessex helicopter finished the job yesterday by airlifting the girls from Great Ayn to their homes at Nuneaton.

Piers Corby, who runs the London-based forecasting company Weatherplan Services, said that he had given a warning in July of snow storms in Britain this month. He also predicted that recurring snow and freezing conditions would continue throughout December. He stands to win £1,000 if a White Christmas bet that he placed in July comes up.

The snow caused hundreds of computer networks to crash as power lines went down in

the weekend blizzards. Some systems lost reams of information when electronic "spikes" operated within the computers, the Association of Professional Computer Consultants said.

Howard Stevenson, the farmer who is recovering in hospital at Harrogate after spending 27 hours in a snow igloo, has been told that the pet dog that he was trying to find in the snow has turned up safe at a neighbouring farm.

Ken Sampson, a headmaster who has been without water and electricity since Friday, had two letters delivered yesterday: his water and electricity bills.

A woman gave birth in the back of a car after it became trapped in a drift at the village of Emley, near Huddersfield. A cleaner from a nearby hotel

helped to deliver the child after the woman's husband had gone to call for an ambulance.

Philip Hurd, the seven-year-old son of Douglas Hurd, the foreign secretary, was released from the John Radcliffe hospital in Oxford, yesterday after being flown from the family's snowbound home with suspected appendicitis.

Antoine Fortin, a 39-year-old French lorry driver, was fined £600 and banned from driving in Britain for three years by magistrates at Bradford yesterday. Police had stopped him as he drove his truck through the snow after he had stopped at a public house to telephone his employer and stayed for a few drinks, the court was told. He admitted driving with excess alcohol.

## Traders in Ulster yield to IRA order

By RICHARD FORD  
POLITICAL CORRESPONDENT

FOUR small businesses in Northern Ireland have been forced to announce publicly that they will stop serving members of the security forces after being threatened by the Provisional IRA.

The businesses, two owned by Roman Catholics and two by Protestants, placed advertisements in a newspaper in Co Fermanagh saying they would not deal with members of the Royal Ulster Constabulary, Ulster Defence Regiment and regular army.

Calling for an emergency debate in the Commons yesterday, the Rev Ian Paisley, leader of the Democratic Unionist party, said the businessmen had been forced under threats from the IRA to say they would not serve members of the security forces. He said if the advertisements had appeared in Great Britain there would be a furore in the Commons.

The advertisements appeared in the public notices page of the Enniskillen newspaper *Impartial Reporter*. Dennis McDaniel, the editor, said: "They are the first such insertions we have had. It is certainly blatant intimidation. We have had very little of this sort of thing in Fermanagh although we have heard of a lot around Belfast and Derry."

The Provisional IRA has used similar tactics against contractors working for the security forces and has killed people working for companies that ignored the threats.



Saved: guides and brownies airlifted from a snowbound hostel at Great Ayn, near Stratford-on-Avon, Warwickshire, leaving an RAF Wessex helicopter yesterday

## GPs found guilty of misconduct

TWO family doctors who asked pharmaceutical companies for payment before agreeing to check whether they had prescribed potentially dangerous drugs were found guilty yesterday of serious professional misconduct.

Dr Timothy Timberlake, aged 47, and Dr John Blackmore, aged 48, asked for a £225 fee for checking to see if they had handled the infertility drug and a further £100 to tell patients if they had prescribed it at their practice in West Moors, Wimbome, Dorset. They denied serious professional misconduct and said that they had asked for the money "to protect resources for their patients".

The General Medical Council's professional conduct committee in London ruled that the two doctors' registration should be suspended for three months, pending any appeal. The doctors were found not guilty of serious professional misconduct over a letter offering to distribute communications to selected patients for commercial organisations.

## Rise and rise of the CD leads to boom for classical music

By SIMON TAIT, ARTS CORRESPONDENT

CLASSICAL music is booming, thanks to the rise of the compact disc and unprecedented marketing by recording companies, according to the latest *Cultural Trends* survey of the arts by the Policy Studies Institute, published today.

The report shows that, in the first six months of this year, compact discs accounted for more than half of classical recordings, and classical music increased its share of all recordings from 8 per cent over the same period in 1989 to 11 per cent this year.

"1990 has been an exceptional year for classical music recordings," the report says. Sophisticated marketing has also boosted its popularity.

The compact disc trade began in 1985 with 3.1 million units and registered 41.7 million in 1989, overtaking long-playing records (down from 53 million to 37.9 over the same period)

for the first time. Cassettes increased from 55.4 million to 83 million. Of the CDs bought by under-35s in 1988-9, 28 per cent were classical and, for 35-54 age group, 46 per cent of CD sales were of classical music.

The televised performance by Nigel Kennedy the violinist of Vivaldi's *Four Seasons* helped his recording of the work achieve sales of more than 650,000 by September.

Luciano Pavarotti's rendition of "Nessun Dorma" from Puccini's opera *Turandot* as the theme for World Cup broadcasts in the summer also gave classical music an unaccustomed pop chart boost. The recording of operatic highlights by Pavarotti, Carreras and Domingo actually reached number one in the album charts in September.

Britons have still some way to go before they match the appreciation of classical musical displayed by the rest

of Europe. The *British Phonographic Industry Year Book* says: "If the level of classical music sales in the UK is to rise to the levels of between 13 and 18 per cent seen in some European countries, penetration has to be in the younger groups."

"This is obviously a function of education and exposure but, with constantly diminishing expenditure on music education in schools and with virtually no classical music radio (radio 3 has a small audience) the chances of increasing the younger audience for recorded classical music remain firmly in the hands of the marketing departments for classical music labels."

London's four main symphony orchestras have also been able to cash in on the CD boom. In 1988/9 the orchestras earned £4.5 million from recordings.

*Cultural Trends* (Policy Studies Institute; £9.95)

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 Chancellor of the Exchequer  
 Secretary of State for the Environment  
 Secretary of State for Defence  
 Secretary of State for Education and Science  
 Lord President of the Council and Leader of the Commons  
 Secretary of State for Transport  
 Secretary of State for Energy  
 Secretary of State for Social Security  
 Chancellor of the Duchy of Lancaster  
 Secretary of State for Northern Ireland  
 Minister of Agriculture, Fisheries and Food  
 Secretary of State for Employment  
 Secretary of State for Wales  
 Secretary of State for Trade and Industry  
 Secretary of State for Health  
 Secretary of State for Scotland  
 Chief Secretary to the Treasury

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Lord Mackay of Clashfern

Lord Waddington

Kenneth Baker  
Norman Lamont  
Michael Heseltine

Tom King

Kenneth Clarke

John MacGregor

Malcolm Rifkind

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Chris Patten

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Michael Howard

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William Waldegrave

Ian Lang

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Arts and Libraries, Office of  
 Minister for the Arts

Tim Renton

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 Minister of State for Defence  
 Procurement  
 Minister of State for the  
 Armed Forces  
 Under Secretary of State for  
 Defence Procurement  
 Under Secretary of State  
 for the Armed Forces

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 Alan Clark  
 Archie Hamilton  
 Kenneth Carlisle  
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Employment

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Parliamentary Secretary,

Treasury (Government

Chief Whip)

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Household (Deputy Chief

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Comptroller of the Household

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David Lightbown

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Timothy Boswell

Timothy Kirkhope

David Davies

Assistant whips

House of Lords

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Captain, Yeomen of the

Guard (Deputy Chief Whip)

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Lord Cavendish of Furness

Viscount Astor

Second Church Estates

Commissioner, representing

Church Commissioners

Michael Allison

## Poll tax review set to help hardest-hit first

By DOUGLAS BROOM, LOCAL GOVERNMENT CORRESPONDENT

SHORT-term measures to give more help to those hardest hit by the poll tax are likely to be the first fruits of the government's review of the charge.

Michael Heseltine, the environment secretary, is expected to announce today that the review will be headed by Roger Bright, who is the head of information at the environment department.

Government advisers and senior civil servants are already working on interim measures to help to reduce next year's poll tax bills. With the prospect of a general election next year, ministers are keen to lessen some of the injustices of the present system before they go to the polls.

What has emerged so far is a preference for improving the transitional relief scheme, which helps households whose combined poll tax bill is much larger than their old rates bill. The scheme covers anyone whose poll tax is £3 a week more than their rates. Under plans already announced it will be extended in April to cover those paying £2 a week more, at a cost of £570 million.

The scheme has been criticised for raising false expectations because the poll tax figure used to calculate eligibility is a notional figure produced by the department rather than the actual tax levied by each council. It is,

however, simple to administer, being deducted from bills at source, and has helped 7.5 million adults this year, 500,000 of them over retirement age. Next year 12 million of the 37 million charge payers in England will benefit.

The measure is also cheap. It would take up to two years to complete the poll tax review, but a senior source said yesterday: "We recognise that the government does not have that sort of time. Councils discuss their budgets in January and set them in February. We have got to bring something forward by the middle of January. The longer term is not all that long either."

The source said that if there was to be a June election, firm proposals would have to be ready for the manifesto. "The great thing about transitional relief is that it is a system designed to get specifically to the people who feel hard done by under the poll tax. To be frank, those people on benefits are not our voters anyway."

"The people we have alienated are the people who were paying £100 in rates and now suddenly find themselves paying £700 or more in community charge. These people are not well off and they deserve some help."

David Blunkett, Labour's local government spokesman, said: "We welcome any measures which provide relief from the pain of the poll tax, but this scheme is very limited in its effects and will help far fewer people than the government are claiming."

"The fact that the relief is calculated on a maximum of two notional poll tax bills per household and that people lose relief if they move house means that any extra help given will be extremely limited."

Mr Blunkett said that under the existing relief scheme a family of four adults whose rates bill of £350 a year had been replaced by a poll tax of £400 a head would get only £102 relief to mitigate a £1,250 rise in outgoings.

Alexandra Rhodes, of Sotheby's, said: "Lots of people were buying jewellery to wear and paying competitive prices. But there were some items that were sold slightly below estimates."

Top price among 33 Gardner lots was £209,000 paid by a private buyer for an emerald and diamond cluster ring by Van Cleef & Arpels, 1961. The estimate had been £120,000-£150,000.

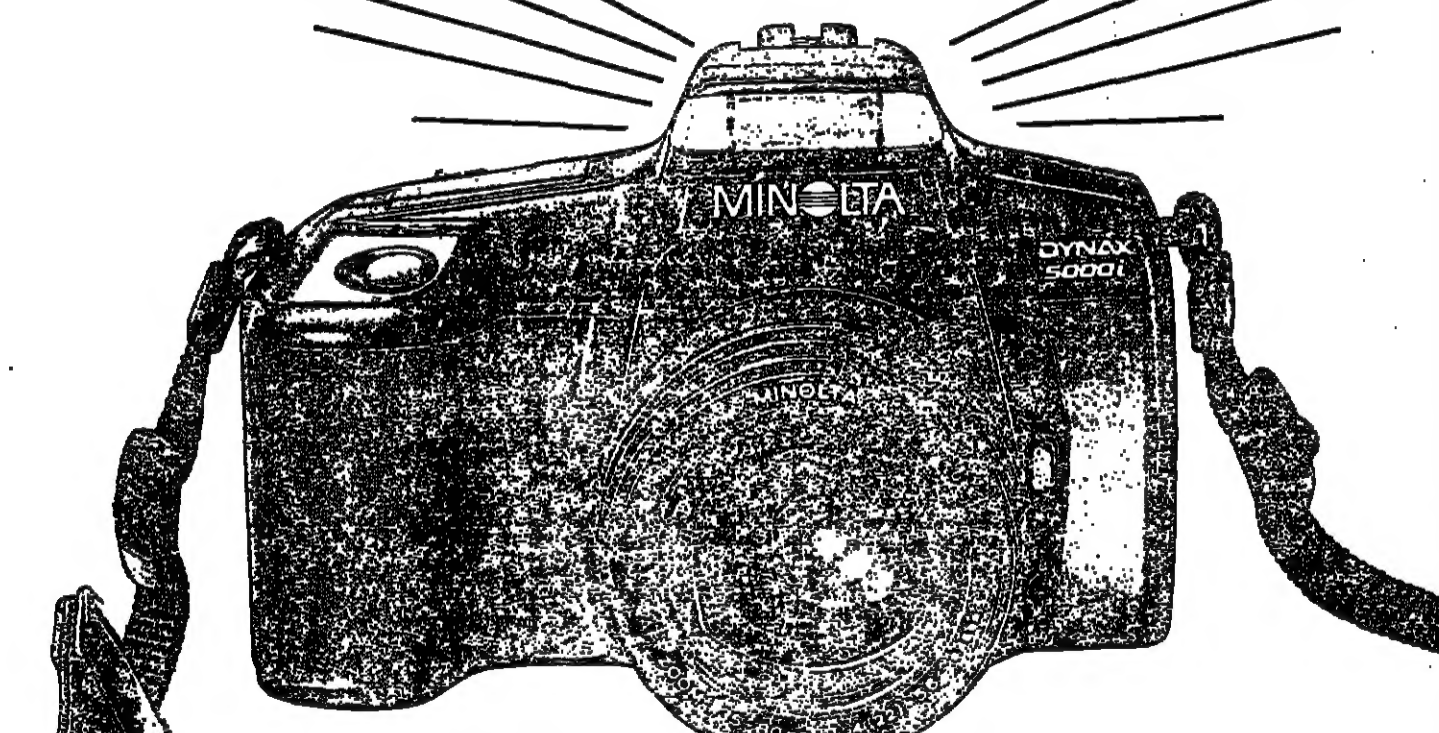
In her heyday, Ava Gardner was known for her romances, having married her fellow film star Mickey Rooney and the clarinetist Artie Shaw in quick succession.

In her latter years, the Carolina-born actress retired to Knightsbridge in London where she appreciated the fact that the English "mind their own Goddam business". She died here, aged 68, in January.

Top lot among the Allen collection was a large Cartier diamond ring, which fetched £66,000.

A high-living socialite in the Thirties and Forties, who claimed to be on first name terms with Clark Gable and Errol Flynn, Mrs Allen re-

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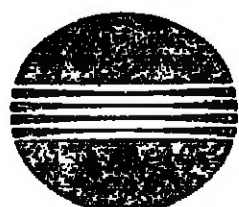
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## Search for a quick profit keeps most shares in few hands

MOST of Britain's new breed of stock market players — one in ten of the population — will be preparing to make an instant profit on shares in the electricity supply industry, confirming fears that while privatisations have been successful they have not led more people to invest in UK plc as a whole.

One in ten Britons applied for electricity shares, Dr. Roger Rogerson, the government's privatisation advisers, has disclosed, with the sell-off oversubscribed tenfold, making it the most successful privatisation to date. Some 12.75 million applications have been received from an estimated 5.7 million people, more than 80 per cent from small investors. The high demand will mean a big scaling down of requests and disappointment for investors who applied for anything but the minimum number of shares.

It is expected, however, that the majority of applicants will sell their shares at the first opportunity, taking profits of up to 40 per cent in time for Christmas. Many others will hold on to their shares, still hoping for an eventual profit but also to take advantage of loyalty discount bonuses on their electricity bills.

In determining allocations, registered customers and small investors will be given priority. Most applicants, 10.2 million, asked for 500 or fewer shares. Subscribers have pledged £17 billion, on the basis of the full 240p share price, and the electricity issue far outshines British Gas, previously the most popular privatisation, which had 4.5 million applications.

Share certificates were due to be posted by December 19, but because of the demand and problems caused by the weather, the deadline has been moved to Christmas.

In spite of the privatisation programme of the last decade, the Stock Exchange says that small investors have not taken to wider share ownership promoted by the Thatcher governments, because buying and selling shares was perceived as too complicated.

Fourteen per cent of shareholders hold shares that they bought through the stock market, while the rest of Britain's 11 million shareholders bought them through privatisations. David Jones, chief executive of Sharelink, said that was because banks and stockbrokers were not interested in catering for the small investor holding one or two privatisation stocks.

"Operations like Sharelink are the product of the failings of Big Bang,

In spite of the tenfold over-subscription in the electricity sell-off, and past privatisation successes, Britain has not become a nation of shareholders, David Young writes

Deregulation should have meant wider share ownership, but banks and stockbrokers are not that interested because their businesses are geared to large deals or well-heeled private clients," he said.

The Confederation of British Industry has estimated that the proportion of British shares held by private investors fell to 20 per cent last year, down from 30 per cent in 1980. Institutional investors held 60 per cent and the remainder was held by the government and other British and overseas investors.

Around 6.5 million private shareholders had holdings in only one company and only 0.3 million held shares in 11 or more companies. Holdings are overwhelmingly in privatisation issues.

The British Telecom flotation attracted 1.2 million registrations and 2.3 million applications. Enthusiasm for privatisations grew with the TSB flotation, for which 3.1 million people registered and five million applied. The pattern was reversed in the 1986 gas flotation, which had 7.5 million registrations and 4.5 million applications.

Dealings in BP started just after the crash of 1987, which explains why 6.5 million registrations resulted in just 250,000 applications. British Steel attracted 1.5 million registrations and 650,000 applications.

According to research from the Stock Exchange and the Association of Investment Trust Companies, people see privatisations mainly as a way to make a quick profit. The crash of 1987 was seen as a warning that investing on the stock market was risky, but privatisations were considered low risk.

The CBI has found that although millions have bought privatisation shares,



Young: CBI proposing tax-free allowance

the move to a share-owning democracy is steadily being lost to the institutions. In 1975, individuals held nearly 40 per cent of the value of Britain's listed companies. Now they own just 20 per cent.

Ownership of Britain's listed companies, which provide most of the country's prosperity, lies in the hands of some 60 investment groups, who control billions of pounds of other people's money. Public ignorance of investing in shares, and the part it plays in creation, is damaging to the economy as a whole, the CBI says.

John Banham, the confederation's director-general, said: "Personal savings in the UK in 1988 accounted for under 3 per cent of gross domestic product. This compared with 8 per cent in France, the US and Germany, and 15 per cent in Japan."

To increase the number of individuals regularly investing in the stock market the CBI has proposed a tax-free allowance of £1,200 a year for direct investment in shares as well as other measures and a campaign by retail stockbrokers and the International Stock Exchange to promote the benefits of shares. It wants the relaxation of rules to allow companies to promote their own shares and encourage employees to own shares and share options in their own companies.

The CBI also points out, however, that investing in shares is riskier than putting money in a building society because share prices can go down as well as up, but over long periods the rewards can outstrip the return purely from interest. A £1,000 share investment in 1980 would, on average, be worth about £4,000 now, but only £2,200 if it had been held in a building society.

Commenting on the CBI study Fred Carr, a director of the brokers W.J. Carr, said: "The stock market is a vicious place full of professionals who have been at it for a long time. Ordinary people may not have enough money for a good spread of risk or to interest a good adviser. It is improper to advise the man on the Clapham omnibus to take his money off deposit and put it into a few shares."

Electricity shares, page 1  
Leading article, page 15  
Business news, page 23  
Business comment, page 25

## Attack on road plan for marsh

By JOHN YOUNG

THE transport department has shown blatant disregard for a nationally important wildlife habitat in its proposals to re-route the A13 over Rainham marshes, in east London, the Royal Society for the Protection of Birds will tell a public enquiry today.

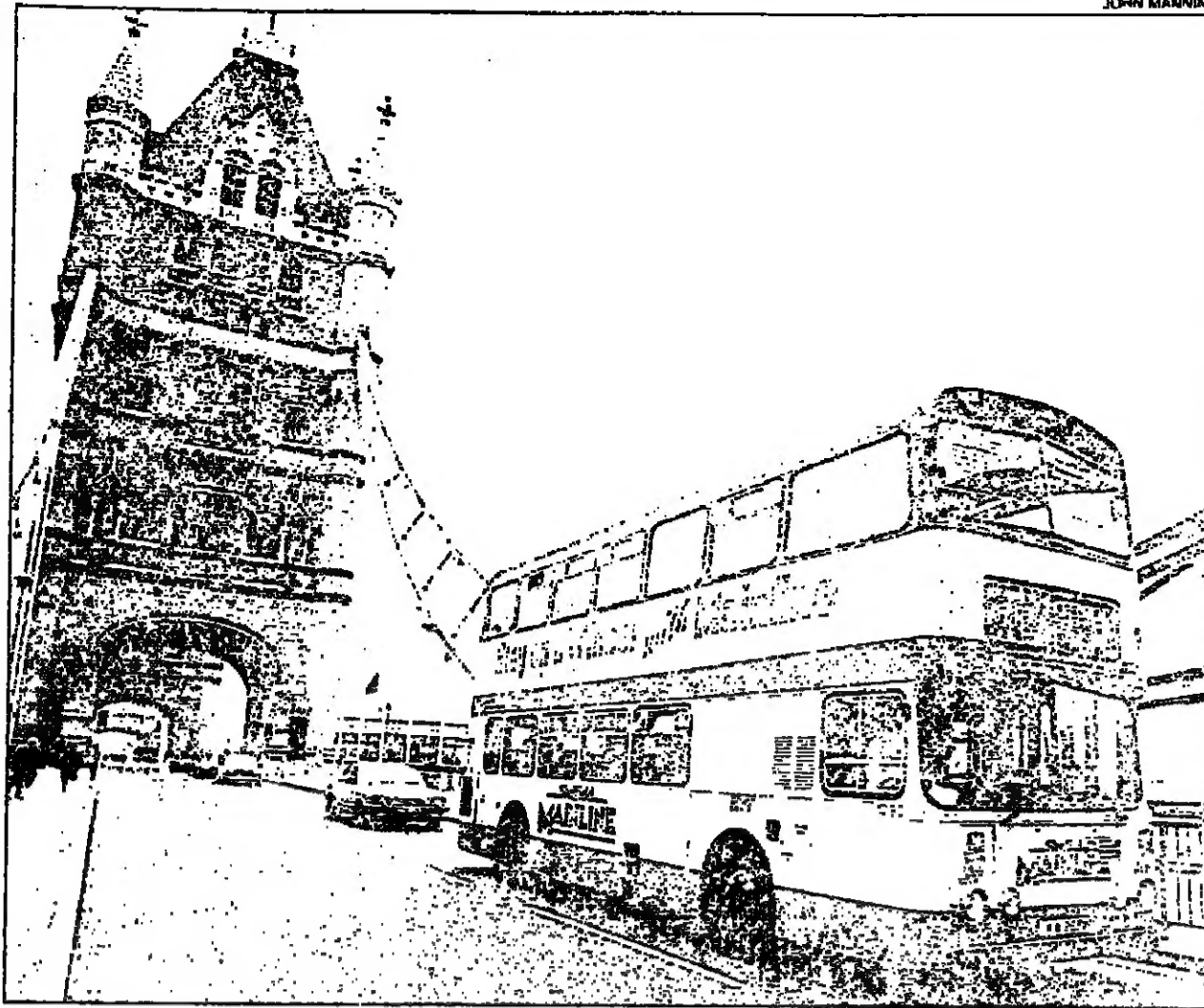
The society claims that the route would cut across the north-west corner of a large area of grazing marsh, and would have a drastic effect on many important species of birds, insects and flowers.

The Inner Thames Marshes site of special scientific interest covers 1,184 acres and is the largest in London. Among the birds that breed there are lapwing, shoveler, redshank, sedge warbler, reed warbler, reed bunting, stonechat, yellow wagtail and linnet. Grey partridge and short-eared owls would also be affected, the RSPB says.

The society is presenting evidence jointly with the Nature Conservancy Council (NCC) and the London Wildlife Trust to the enquiry, which began in October at Grays, Essex.

The NCC is also concerned about plans announced last year by MCA, parent company of Universal Studios, to build a 1,000-acre theme park and entertainment complex on part of the marshes beside the new road. It would be designed by Steven Spielberg, the film maker, and it is estimated that it would attract five million visitors a year.

Havering council said yesterday that it expected to hear early next year whether MCA intended to go ahead with its plans. The company was recently bought by the Matsushita corporation of Japan.



Scenic route: a Sheffield Mainline bus crossing Tower Bridge in London might be thought to have taken an unparagonably long detour.

In fact, it is one of several that have been hired to meet a shortage of vehicles on route 78 between Shoreditch and Forest Hill. The contract to run the service was won by London and Country Buses of Reigate, which took over last month. The company has not received all the 11 new vehicles required for route 78 and has made good the deficiency by hiring from South Yorkshire Transport.

## Petrol dips below £2 mark

By KEVIN EASON  
MOTORING CORRESPONDENT

PETROL from Shell yesterday dipped below the £2 a gallon mark for the first time since July, signalling the start of another round of price cuts.

Shell cut 9.1p (2p a litre) from all grades of petrol to take four-star lead down to 199.6p (43.9p) and unleaded to 186p (40.9p). Diesel falls 6.4p (1.4p a litre) to 197.8p (43.5p). Shell, which has 2,800

filling stations, is the first of the big oil companies to break the psychologically important £2 a gallon threshold. As joint market leader with Esso, Shell's move is certain to precipitate a round of price cuts. Fina, one of the smaller companies, set the scene for further price cuts at the weekend by reducing the cost of a gallon by 7.3p.

Oil companies were reacting to rapidly weakening prices of bulk oil and petrol on markets

encouraged by the prospects of peace in the Gulf, which would ensure the safety of oil supplies next year.

Petrol peaked at 239.6p on October 1 but has since tumbled by about 40p to the levels operating before the Iraqi invasion of Kuwait on August 2. Jim Slavin, Shell's retail division director, said last night: "This latest reduction brings our petrol prices back to where they were before the end of July."

## Council officials questioned on sell-off

By STEWART TENDLER  
CRIME CORRESPONDENT

THE former chief executive of West Wiltshire district council and three senior officials were arrested yesterday by police investigating the privatisation of the council's computer services.

Last night one man was released on medical grounds and the other three were expected to be sent home on police bail. All four were taken to Chippenham police station for questioning. The arrests were made by Wiltshire CID officers led by Det Supt Brian Reed, deputy head of the county's CID, after an eight-month enquiry. Forty police were involved in the arrests, which could be followed by others.

Gerald Garland, the former chief executive, was arrested at 7am by Wiltshire police, who called at his home in Frome, Somerset. Documents are reported to have been seized by the officers.

Two of the other men arrested were Roger White and Roger Pugh, director of land management. Mr Pugh was released from questioning after some hours for medical reasons.

Both men were suspended in June after the district auditor's report into the formation of the private company West Wiltshire Information Systems Ltd. A disciplinary hearing that will be conducted internally by the council has been adjourned until the end of next month.

The fourth man arrested was Frank Archer, the district council's former director of technical services, who retired last year.

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## Renton hints at funding for RSC at Barbican

By SIMON TAIT, ARTS CORRESPONDENT

THE Royal Shakespeare Company can expect a funding boost from the Arts Council's new enhancement fund, but will have to avoid political gestures and confirm its commitment to the Barbican, Tim Renton, the arts minister, indicated yesterday.

Speaking for the first time about his immediate priorities after taking over the Office of Arts and Libraries, Mr Renton said that his first priority was allocations from the £22.5 million fund and that the RSC would be considered.

He said, however: "I was dismayed in the last month or two that things had become very political." That had not helped the RSC's cause.

The company has closed the Barbican theatre, leased from the Corporation of London, to stop its deficit rising to an unmanageable £4.2 million. Mr Renton said that the last productions staged before the Barbican was closed - particularly *Moscow Gold*, about the aftermath of perestroika under Mr Gorbachev, which played to conspicuously small audiences - were not sensible choices.

A suggestion that the RSC may not return to the Barbican without adequate funding was called a "political gesture" by the managing director of the Barbican, and relations between the company and the Barbican reached their lowest ebb when the theatre was closed at the beginning of November.

Mr Renton said: "We don't want this to happen again. It seems it all went wrong and it shouldn't go wrong again."

On Thursday, he will meet Peter Salomons, chairman of the Arts Council, and Anthony Everitt, its secretary-general, to discuss recommendations on allocations from the general fund and the enhancement fund, to be made at a special meeting of the full Arts Council next week.

The arts minister's second priority is devolution: the delegation of Arts Council funding to new regional arts boards. He will meet a delegation of local authorities, many of whom are unhappy at the decision by David Mellor, Mr Renton's predecessor, to reduce the size of the boards and have the chairman appointed

by the minister. That gave rise to fears that Mr Mellor intended to be interventionist over the biggest shake-up of the structure of arts subsidy in Britain since the founding of the Arts Council in 1946.

Some local authorities have even threatened to stop arts funding in protest at having only three representatives in the 12 members of the boards, as recommended by Mr Mellor.

"I am a hearty devolutionist," Mr Renton said. "There is often a devil in these things and it's only when you get into the detail that the devil appears. But I don't take too seriously threats about cutting funds."

He is also concerned about the Royal Opera House's development scheme, which will cost £200 million. "There is an enormous cash flow gap. They need £60 million from the private sector and the opera house have said that, in the present climate, they are not going to get it. But we have said they are not going to get it filled by the government. They have got to rethink what they are going to do, and I am eager to see their modified plans."

The opera house has announced that, although there will be no government funding next year for the scheme, they intend to go ahead with it, albeit on a longer timetable.

"We are not going into it this year, but it is in my gift to make recommendations to the Treasury for next year," Mr Renton said.

## Arts ministry's role may grow

By OUR ARTS CORRESPONDENT

AN ENHANCED arts ministry, to take in broadcasting and to be prepared to tackle competition from European countries and joint media projects with them, might be proposed in the next Conservative election manifesto.

Tim Renton, the new arts minister, who was broadcasting minister at the Home Office before becoming government chief whip 13 months ago, denied that he wanted promotion to the cabinet as head of an enlarged department, but conceded that there was logic in combining arts and media in a department that was already more concerned than any other with assisting the creative process.

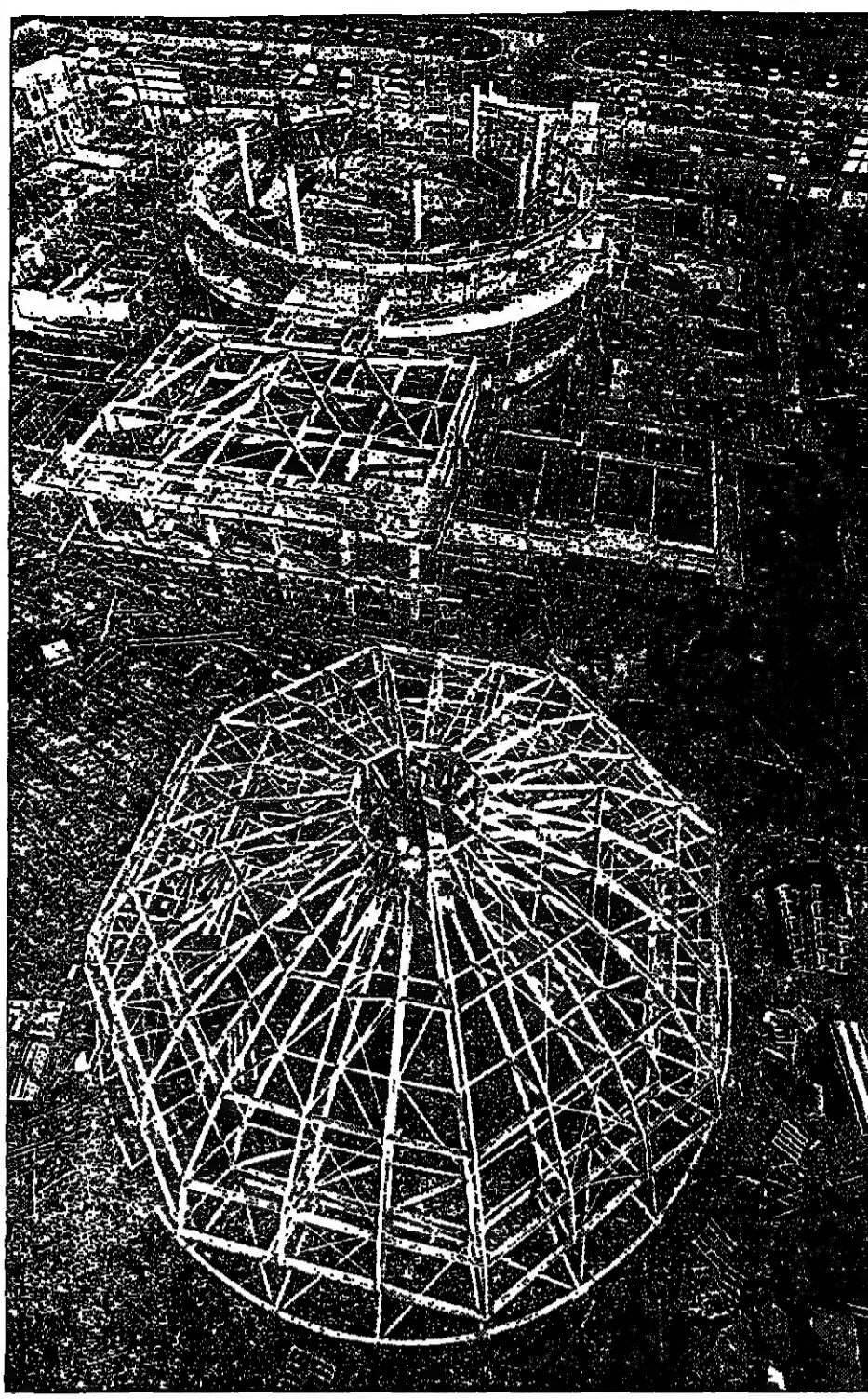
Asked whether he would advocate it as policy, Mr Renton quoted the fictional chief whip in the television political drama *House of*

Cards, saying: "You may think that, but I couldn't possibly say so."

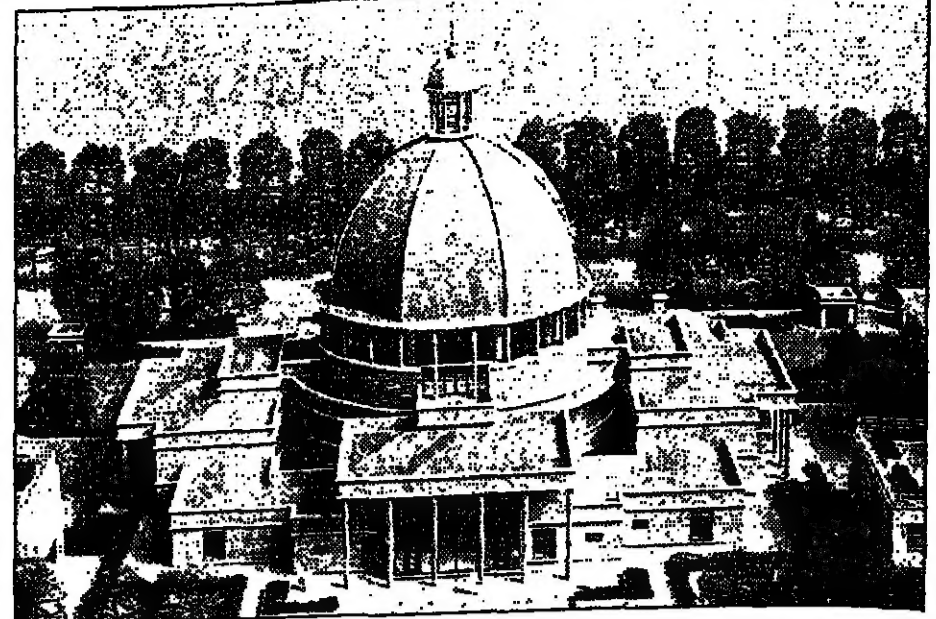
"With less than 18 months at the most before the general election, I have other priorities to attend to before addressing what our paragraph in the election manifesto might be."

Mr Renton welcomed the fact that for the first time culture was to be on the agenda of the Inter-Governmental Conference of EC nations beginning on Saturday.

Mr Renton is anxious to tackle the problem of the export of works of art to Europe, both now and after 1992 when trade barriers within the EC are removed. He said that he wanted to hear from the working party studying the issue that was set up by Richard Luce just before he left office as arts minister in the summer.



Skeleton staff: workers put the finishing touches to the 40 tonne steel framework of the 66ft dome, due to be lifted into place later this month



How the new £3 million church will look after its completion next summer

## City's new multi-faith church prepares to raise the roof

By RUTH GLEDHILL, RELIGIOUS AFFAIRS REPORTER

CHURCHGOERS in Milton Keynes will soon be praying beneath a roof bearing a striking resemblance to that of St Paul's in London. The octagonal dome will this month be lifted on to the £3 million city church, Britain's first ecumenical city church, which is on schedule for completion by next summer.

The five Christian denominations involved have contributed £1 million between them and an anonymous benefactor this week donated £100,000 towards the £2 million appeal, which is £1.5 million towards its target. The 120ft church, called Christ the Cornerstone, will be one of the highest buildings in the city.

The Rev Hugh Cross, the first ever inter-denominational leader for a whole city, has been appointed by the Milton Keynes Christian Council as ecumenical moderator, equivalent, the coun-

cil says, to a bishop. Mr Cross, who will be based at the church, will move to the city next month. A congregation has already begun worshipping, based in the city's library.

The building is designed on classical lines and the dome is about half the size of St Paul's. The dome's 66ft diameter steel framework has used 40 tonnes of steelwork and stands nearly 40ft high. It will be finished in lead and will support a glazed and colonnaded lantern with an orb and cross on top.

The new church will be shared by Anglican, Roman Catholic, Baptist, United Reformed and Methodist worshippers. Milton Keynes is an exceptionally ecumenical city and already boasts 29 united congregations.

Mr Cross said: "It will be a central church for all the churches in Milton Keynes.

The church will not be called a cathedral, but it will be that sort of place. The church will be not only a place of worship but will have a number of other rooms and offices to serve the community. It is a splendid building and very exciting."

Mr Cross, former ecumenical officer for England with the defunct British Council of Churches, is a Baptist-trained minister and has worked as a missionary bookseller in Zambia. He will be paid a senior minister's salary of about £12,000.

The church will hold a congregation of nearly 600, and as well as being used as a place of worship will become a meeting place for workers and visitors to the city. A "centre for independent living" will provide a training and information centre for people in the city with disabilities.

## Duty officer 'was at night class' as water poisoning spread

A WATER official went to a dog-training class instead of dealing with complaints about Britain's worst water poisoning incident, a court was told yesterday.

Vital hours were lost because Raymond Truscott, the stand-by officer, failed to call and then told his headquarters not to say too much about the incident at Camelford, north Cornwall. Although he guessed straight away from complaints that chemical pollution was the problem, it was not for another two days that the real fault was found, Exeter Crown Court was told.

The control room at South West Water's headquarters was swamped with complaints when the acid water started reaching homes. Susan Jones, telephone controller, said she quickly realised the seriousness of the complaints but could not find anyone to act on them. The now-extinct South West Water Authority denies causing a public nuisance and poisoning the Camel with aluminium sulphate. The jury has heard how 20 tons of the chemical were accidentally dumped into the mains at Lowermoor treatment works near Camelford in 1988.

The Crown alleges that the authority, which has since been privatised, failed its customers by failing to diagnose the problem quickly enough and failing to issue a warning of the dangers. Mrs Jones said she took two complaints before 8.04pm, when Mr Truscott made a routine check-in. "At that stage I did not tell him anything about Camelford. He said he had a previous engage-

## Call for reduction of permitted lead

By JOHN YOUNG

THE permitted maximum of 50 micrograms of lead in a litre of drinking water is too high and should be reduced, a report in *Which Way to Health*, published today by the Consumers' Association, says (John Young writes).

Last year a government report advised that water for babies' bottles should contain no more than 10 to 15 micrograms. The average for adults should be no more than 30 micrograms.

Water suppliers are advised to inform customers if tests show a level of more than 50 micrograms, but those are not necessarily an accurate guide, since most lead contamination comes from domestic pipes and tanks.

The use of lead for new pipes was not banned until 1976, and lead-based solder on copper pipes not until last year. Those concerned about lead levels should ask their

supplier for advice or ask an environmental health officer to test a sample taken first thing in the morning, after the water has been standing overnight.

"High levels of lead are a proven health hazard," David Dickinson, the magazine's editor, says. "Even at low levels lead can interfere with red blood cell formation and vitamin D metabolism."

The article advises people to run the cold water tap for three minutes first thing in the morning, and for one minute after water has been standing in the pipes for more than a few hours; to take drinking and cooking water from the cold tap in the kitchen; and not to use tap water for babies' bottle feeds. The article suggests that hard water may be better for people's health than soft water. Studies suggest that it offers some protection against heart disease.



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## Karpov has 19th game postponed

By RAYMOND KEENE  
CHESS CORRESPONDENT

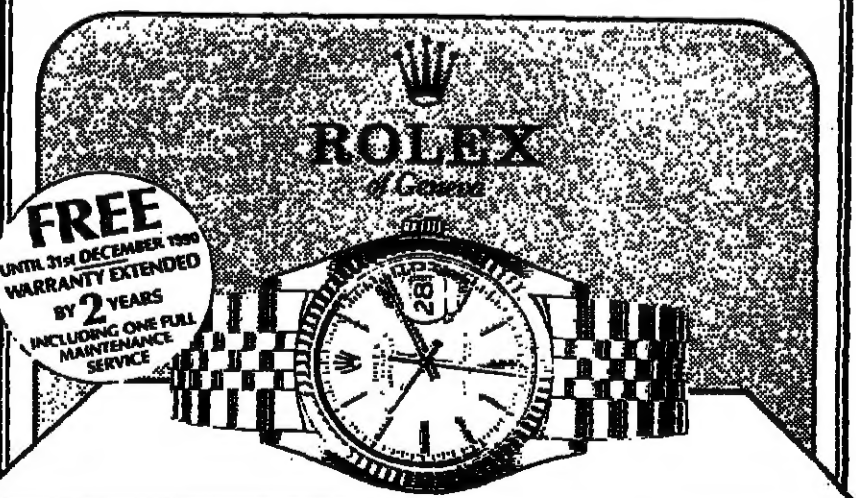
THERE was no play last night in the World Chess Championship in Lyons, France, after Anatoly Karpov, the challenger, asked for the 19th game to be postponed until Wednesday.

Each player in the championship has the right to postpone three games, after informing the arbiter of their intention by midday local time. Kasparov, the defending champion, and Karpov each have one "time out" left.

Karpov's time out came as no surprise after the battering he received in the 18th game, which he resigned on Sunday night.

Kasparov now leads by 9½ points to 8½. There are six games left in this \$3 million contest. The winner will be the first player to score 12½ points.

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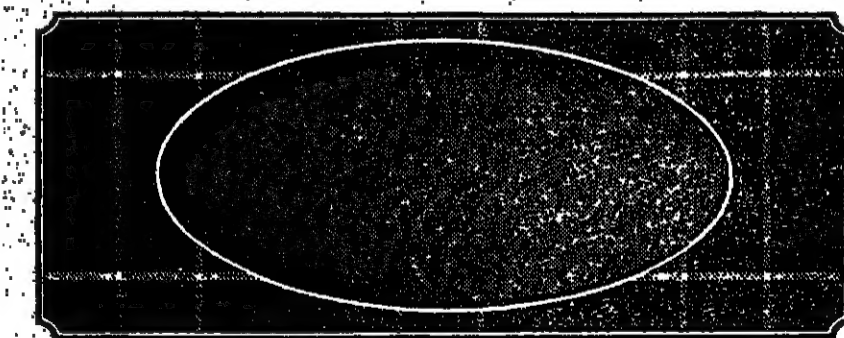
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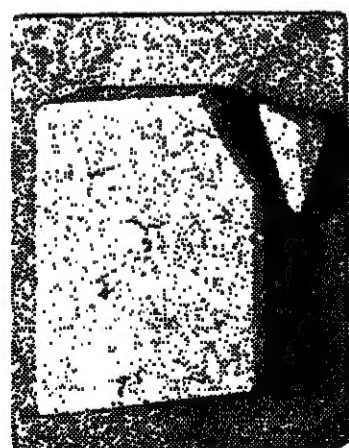
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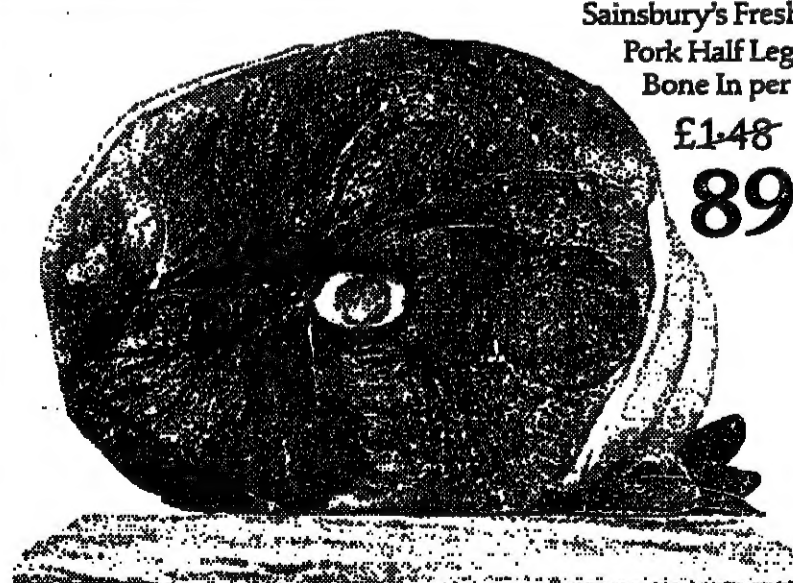
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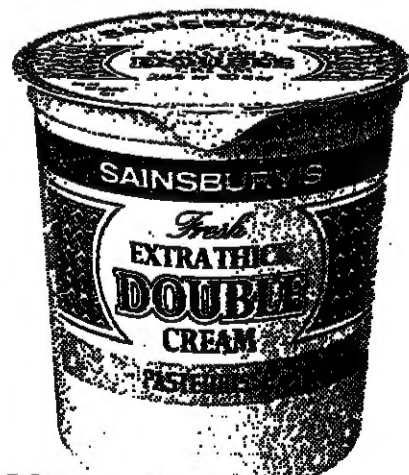
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## Judge sends sisters home in ritual abuse hearing

By RONALD FAUX

THREE sisters who were made wards of court after allegations of ritual abuse returned to the permanent care of their parents yesterday. Proceedings relating to the sisters from Rochdale, aged 7, 11 and 16, were abandoned at the High Court in Manchester, and they were allowed home after Mr Justice Douglas Brown heard evidence in private.

A statement authorised by the judge from Gerry Gibson, solicitor for the parents of the children, said that, on the recommendation of Rochdale metropolitan borough council, the three children had been "de-warded".

"It was conceded by Rochdale and accepted by the court that there were no substantive grounds to any allegations in respect of these three children. There has been no criticism of my clients, the parents, throughout the mat-

ter," the statement said. He added that the parents were delighted by the outcome and wished to return to a normal life as soon as possible. Two of the sisters have lived at home pending the outcome of the wardship proceedings.

The three girls were among 20 temporary wardship cases which Rochdale council had sought to make permanent after allegations of ritual abuse. The case relating to the remaining 17 children is to continue and the hearing is expected to last six weeks.

A statement from David Venables, Official Solicitor to the Supreme Court, issued after the hearing began, said that the judge had ordered that there be no further media speculation about the cases and that no approach be made by the media to any of the parties involved while the proceedings were in progress.

A statement said the hearing would take many weeks and there would be a full and detailed investigation. All the parents are represented by counsel and solicitors, and the children are represented by the Official Solicitor. In the interests of the children, their anonymity is being preserved.

The parents of the children have denied the accusations, which came after statements from a boy aged six to his teacher. Investigations by Greater Manchester police did not, however, uncover any evidence on which criminal charges could be brought.

Rochdale council invited the health department to examine the way in which they handled child abuse cases, and the inspectors were critical at the way in which some cases, unrelated to the 20 children involved in the present proceedings, were handled.

Police and social workers are working together to investigate child sexual abuse cases, according to the findings of a national survey.

The study by Surrey university indicated that 89 per cent of police forces and three-quarters of social services departments jointly interview abused children, although fewer conduct joint interviews with families. The findings were disclosed at a London conference on the investigation of child sexual abuse, which was organised by the Police Foundation, an independent research body.

The figures also show that 21 per cent of police and 19 per cent of social services departments jointly interview witnesses. A small number of social services departments are present during police interviews with suspects.

About two-thirds of all police forces and social services departments use video recorders when interviewing children. Video-tapes will soon be allowed as evidence in the prosecution of sex offenders.

Sue Conroy, a research fellow at the university, who helped produce the survey, said: "The more both sides work together, the better chance there is of developing a joint understanding of the problem and avoiding professional disputes."

## The homeless: action to focus on private sector

# Return of the caring approach

Government efforts to help the roofless are hampered by factors beyond ministers' control, Jamie Dettmer reports

IN LINE with the government's efforts to project a more compassionate image, Sir George Young, the housing minister, is to review several aspects of the environment department's policy on homelessness. His colleagues hope that he will have a greater impact on the problem of homelessness than his Conservative predecessors.

As Christmas approaches, the plight of Britain's growing army of homeless has yet again provoked widespread concern and led to fierce attacks on the government's handling of a problem that has got worse in the past ten years. Ministers are aware that the government is widely seen as being uncaring about the homeless, and they are now keen to admit that past Conservative policies may have increased the chances of the poor ending up on the streets or in seedy bed-and-breakfasts.

The Labour party has clearly been able to score points off the government's approach to homelessness. At times, the government, eager to think the unthinkable and say the unsayable, seemed to invite outraged criticism. The nadir in right-wing radical approaches to homelessness probably came in the summer of 1988 when Nicholas Ridley, the then environment secretary, considered the idea of withdrawing benefit rights from homeless people who refused to stay in their "home" council area. The aim of the plan was to try to deter destitute people from flooding into the main cities. The plan was leaked and attacked as unworkable.

Mr Ridley's idea came to light during an earlier lengthy review after the widespread media coverage of the plight of young people sleeping rough in London, Manchester and other big cities. Technically, those who sleep rough are described as being



Dave Hayes, aged 28 (left), Alan Scott, aged 22, and Tony Cromwell, aged 33, unemployed and living rough in the Waterloo hulking

roofless. The roofless numbers are tiny in comparison to the 300,000 or so who are in temporary accommodation but have no secure or permanent home. In London, there are probably under 2,000 people who sleep rough. The number of homeless is much higher, with 31,734 families now in temporary accommodation in the capital. More than 8,000 of these homeless families are in bed-and-breakfasts.

Last summer, the National Audit Office said the number of households accepted by local councils as homeless had risen from 53,000 in 1978 to 126,000 in 1989. There have been several factors behind this rise, many of them beyond government control. One startling factor lies with the sharp increase in the number of households, which is in itself a reflection of the marital break-up rate and the rise in single-parent

families. One estimate suggested that between 1986 and 2001 the population will increase by 3.8 per cent while the number of households will rise by 11.1 per cent. Housing charities say that other factors that have encouraged homelessness, such as the fall-off in public housing, are within the government's control. The right-to-buy policy has been hugely successful and very popular and has allowed many working class people to fulfil a deeply-held ambition to own their homes. But, as the National Audit Office has pointed out, it has led to a dramatic decrease in public-owned properties that could have been used for the homeless.

Government efforts to stimulate a compensating growth in the private rental sector have failed. Despite the Housing Act of 1988, which removed rent controls and

allowed landlords to charge "market rents", there has been no significant growth in the number of privately rented homes.

According to environment department sources, Sir George is keen to discover why the government's attempts to encourage an expansion of the private rental sector have had little impact. More than 600,000 privately owned properties are empty. It is likely that he will try to devise more ways of increasing the number of privately rented homes at prices the needy can afford.

Sir George is also likely to want to help local authorities bring back into use the 100,000 council houses which are empty. The environment department has already earmarked £300 million over two years for empty properties to be renovated and brought back into use.

## MPs upset at failure to halt rise

By SHEILA GUNN  
POLITICAL REPORTER

THE Commons public accounts committee yesterday criticised the failure of government initiatives to halt the rise of homeless families.

The chairman, Robert Sheldon, complained about the reliance on expensive, unsafe bed-and-breakfast accommodation to house the homeless and the number of government-owned properties lying empty.

Sir Terence Heiser, the environment department's permanent secretary, told MPs that the homeless figures were rising. In the first six months of this year 72,830 people were accepted as statutory homeless by local authorities, a rise of 15 per cent on last year. The number of people in temporary accommodation rose from 38,000 for the first six months of 1989 to 43,040 for the same period this year.

Mr Sheldon pointed out that the costs of housing the homeless in bed-and-breakfast places rose from £22 million in 1984-5 to £142 million in 1987-8. The average cost of housing people in such accommodation had risen by 245 per cent between 1983 and 1987.

Mr Sheldon also criticised Sir Terence for putting the blame on local authorities. He said that 35,100 empty properties were owned by government departments, a rate of 18.1 per cent, compared to a local authority rate of 2.4 per cent.

## Study leads to Salvation Army rethink

By LIN JENKINS

IN THE driving sleet of early December, London's West End shop doorways are home to youths who sit dejected, bundled in blankets with the packaging from their fast food suppliers tossed carelessly at their feet.

Along the road, one of the Salvation Army's oldest hostels for the homeless has empty beds in the dormitory, as it does on every night of the year.

The situation is so puzzling that the charity commissioned a two-year study from Surrey university to discover how to spend the funds it has been putting aside for a new initiative. The results have been a surprise.

The Salvation Army has decided not to publish the findings until it has decided how to respond, which is expected to take

until April next year. Charles King, a charity spokesman, said: "What we are presented with has forced us, after 100 years in the night shelter business, to completely rethink our philosophy."

The report claims that there are around 2,000 people sleeping rough in London, 30,000 in squats, 18,000 in hostels and 25,000 in bed and breakfast accommodation. It also suggests that the need is not so much for night shelters but for greater efforts to assist people to return to independent living.

"People want different things. There are lots of people who would rather go to sleep on the streets drunk than sober in a warm bed," Mr King said.

The dilemma facing the charity is well known to the St Mungo

Association, which caters for 500 homeless people on 30 sites, offering employment training and psychiatric rehabilitation to encourage people to stand on their own feet.

Mick Carroll, a member of the association, says that the problem stems from the different categories making up the homeless population. The young tend to live in the Strand and Covent Garden, with a more sophisticated group living in the violence of cardboard city near Waterloo station. Around north London and Lincoln's Inn Fields are the older group of psychiatric patients who make up half of the capital's homeless population. Of the younger group a third have been in care immediately prior to living on the street and 40 per cent have had

some experience of institutions. Their wish is often for a big house and a new BMW and, having become detached from normal life, they cannot see that their expectations are ludicrous.

Mr Carroll said: "They live on the Strand and all they see is wealth on parade and cannot see the intermediate stage before they can be popping into the Savoy Grill."

The first step to altering their outlook is going into a hostel where they come into contact for the first time with people who work. "That is when they start to see that people have to do overtime to pay their mortgages. They really are out of touch with reality and are difficult people to interest in anything positive which requires effort," Mr Carroll added.



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## Move by Gorbachev designed to counter flagging KGB morale

From MARY DEJEVSKY IN MOSCOW

THE chilling warnings given by Vladimir Kryuchkov, the head of the KGB, have angered Soviet radicals but left many ordinary Russians cold. They regarded Mr Kryuchkov's statement that the Soviet intelligence services and their troops were ready to counter opposition to Soviet rule wherever it was found as entirely appropriate to the role of the KGB, unwelcome, but unsurprising.

Mr Kryuchkov's broadcast was the third by a leader of the law enforcement establishment in as many weeks, and the most alarming.

The defence minister, Marshal Dmitri Yazov, stated that the army had the right to fire on civilians who attacked military property and the right to take over power stations and food distribution. The new interior minister, Boris Pugo, conveyed his message of iron discipline and social order.

All three claimed to have been authorised to speak by the president and none implied any threat to the present Soviet leadership.

Their appearances are said to have been requested by President Gorbachev after he told parliament that if deputies wanted a tougher approach, it was theirs for the asking. If President Gorbachev seems assured of

the almost unquestioning support of the army high command, the leadership of the interior ministry, and the KGB, however, this does not necessarily mean that he could count on all of them equally or absolutely in a crisis. Each agency has its own armed troops, which have different functions and different traditions.

The interior ministry troops are thought to number up to 400,000, including the feared anti-riot squads, the Omon. They were made directly responsible to the president, and so separated from the army and the KGB commands, by special decree in 1989.

While the Omon have the reputation for professional ruthlessness, the ordinary interior troops are often conscripts. The use of the interior troops, in preference to the regular army or KGB, in civil disorders has made service in the interior troops highly unpopular.

This branch may be one of the least reliable forces at Mr Gorbachev's disposal. The law on states of emergency stipulates, however, that enforcing an emergency is the task of the interior troops.

Interior troops are unlikely to be deployed, however, without back-up from the regular army. Morale in the

army, as in the interior troops, is not high. The withdrawal from Eastern Europe, cuts (if only cosmetic) in defence spending, poor conditions for returning officers, and the Afghanistai experience have all contributed to this, coupled with the feeling until recently that Mr Gorbachev was not paying due attention to the military.

The president has no guarantee that even the regular army could enforce Soviet rule in the outlying republics.

The KGB troops, who constitute the elite of an elite, are the ones he must increasingly rely on. KGB troops guard Soviet leaders and control especially sensitive military installations, including all nuclear facilities.

The KGB also has branches in the army and the interior ministry, where they are believed to exert tight control.

Recently, however, even the KGB has shown signs of restiveness.

But there is no evidence of divisions in the KGB that would greatly weaken its effectiveness. The best way of raising KGB morale is probably to widen its remit and give it a freer hand. If Mr Kryuchkov's statement is an indication, that is exactly what President Gorbachev has done.



Making an exit: John Gotti, accused of offences under a gang-busting statute, leaving the FBI's Manhattan offices after his dramatic arrest in Little Italy.

## Movie moguls upstaged by FBI club raid

From CHARLES BRENNER IN NEW YORK

FRANCIS Ford Coppola might be forgiven a little envy. While his long-awaited *Godfather - Part III* is reported to be languishing in the cutting room only two weeks before its release, the real-life FBI and the Mafia have upstaged him with a drama worthy of the *Corleones*.

Feds Bust Gotti in Little Italy, the *New York Post* blared yesterday after the media were invited to witness the arrest of John Gotti, alias the Dapper Don, the "reputed" head of the Gambino crime family, along with three lieutenants, including Salvatore (The Bull) Gravano, his alleged consigliere. For the FBI it was a moment to be savoured after all the frustration. Mr Gotti, who is said by the government to run America's biggest mafia clan, has won acquittal and media celebrity in four trials since 1985. "We've got him nailed this time," said one jubilant officer.

It was 7 pm and cold on Tuesday night at the Ravenite Social Club, Mr Gotti's alleged place of business on Mulberry Street, the location of all those gangster movies. The self-styled "plumbing executive", sleek in hand-tailored overcoat and yellow silk scarf, was driven up to the club in his silver limousine. "Alpha team, moving in," crackled the FBI agents' radios.

In nearby Prince Street, two officers jogged up and burst into the alleged mob headquarters. One yelled: "Everybody, up against the wall!" Police then stormed inside. Mr Gotti, now wearing handcuffs, but with his grey pompadour still perfectly coiffed, was escorted to a less opulent car. He did not forget to flash his trademark smile to the reporters, who had also been snaking out the street. "No problem, boys," he quipped. "Somebody told me when I walked in here that I was going to get pinched tonight."

Mr Gotti is charged with a bookful of offences mostly covered by an umbrella statute which helped the FBI cripple lesser gangsters as well as insider traders. The FBI alleges the Gambinos' main business is in the old-fashioned mob areas of gambling, hijacking, loans, and union racketeering, as well as the more modern drug trafficking.

The centrepiece in the case is a charge that he engineered the murder of Big Paul Castellano, his alleged predecessor as boss of the Gambinos, who was gunned down outside Sparks Steak House in Manhattan five years ago. New information has also provided evidence to charge Mr Gotti with murdering Dec. Bee Di Bernardo, a family capo whose body was never found, police said.

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# Beaten Tyminski must remain in Poland for slander investigation

FROM ROGER BOYES IN WARSAW

STANISLAW Tyminski, the Polish-Canadian emigrant businessman who unsuccessfully contested the presidential election, has been ordered by the prosecutor-general not to leave Poland until defamation charges have been properly investigated.

Mr Tyminski repeatedly threatened during the election campaign to reveal damaging facts about the president, Lech Walesa, but never did. He also accused the prime minister, Tadeusz Mazowiecki, of treason. Mr Tyminski yesterday vowed to fight on politically in Poland, "even from a prison cell if necessary".

The official results released yesterday gave Mr Walesa 74.25 per cent of the vote and Mr Tyminski 25.75 per cent. Mr Tyminski confirmed yesterday that he would challenge the result in the supreme court, arguing that his supporters were deliberately intimidated. The appeal, however, is not given any chance of success.

Turnout was low at 53.4 per cent, but Mr Walesa can still claim the support of about 10.6 million voters, a big enough victory for

him to create his special brand of presidency — a blend of trouble-shooting sheriff, patching up worker unrest, and political power-broker, making and breaking governments. "It is not yet the victory I intended, it is only a certain stage. We have got rid of the system that lasted 45 years, now we must start building a new system. I will try to provide room for everybody so that we can build Poland together."

Mr Walesa's emphasis is on healing the rifts he opened up by pressing for early presidential elections and aiming his campaign against the government of Mr Mazowiecki. The prime minister resigned a fortnight ago, but his decision has not yet been accepted by parliament. He is expected to be allowed to resign on Thursday or Friday this week.

"Mazowiecki has greatly contributed to our victory," Mr Walesa said. "As a patriot he will find a way of serving Poland. We shall see what sort of place it will be." Mr Mazowiecki has already started to form his own party, a loose formation that tries to bridge

the moderate Christian democrat and social democrat strands of Solidarity.

Mr Walesa's goal is to bolster a political centre that will support his concept of reform. That entails a crash course in party pluralism with each Solidarity faction developing its left-wing or right-wing creed. At the same time these parties would retain a Solidarity code, their Solidarity roots and speak a common language. To that end, Mr Walesa has sounded out several candidates for the premiership. The most likely contender seems to be Jan Olszewski, a political defence lawyer in his sixties.

In 1956 he was associated with the young reform socialists grouped round the weekly *Po Prostu*, but since then he has veered to the right and is a Roman Catholic activist, well trusted by the church hierarchy. His links with Mr Walesa go back to November 1980, when he helped to register Solidarity as a trade union.

The key question is whether the finance minister, Leszek Balcerowicz, will be kept on. This is an important signal to the West and the International Monetary Fund which regards highly his plan to shift Poland to a market economy. Mr Walesa says he wants to retain Dr Balcerowicz, but at the same time insists on "corrections" to the programme.

This means making life easier for farmers, keeping some food producer and retail subsidies and giving them soft credit lines. Whether Dr Balcerowicz can accept such a fundamental dilution remains to be seen. In the current negotiations he has become a pivotal figure.

Yesterday Adam Michnik, the most vociferous critic of Mr Walesa during the election, swore his loyalty to the new president in a front-page article in the daily *Gazeta Wyborcza*. Whether this will be loyal support or loyal opposition depends on Mr Walesa's sensitivity towards the Balcerowicz programme.

Mr Walesa is trying to establish continuity with the Mazowiecki government by assembling a cabinet balanced between Walesa and Mazowiecki loyalists.

Leading article, page 15



A taste of victory: Lech Walesa and his wife, Danuta, celebrating with champagne after his success in the Polish presidential elections. One of his first acts will be to give thanks at the shrine of the Black Madonna of Czestochowa in the Jasna Gora monastery.

## Protests at home mar peace prize award for Gorbachev

FROM REUTER IN MOSCOW

SEVERAL dozen demonstrators, denouncing President Gorbachev's tough line on nationalism, protested yesterday against his having been awarded the Nobel peace prize.

"It is not a prize for peace, it is a prize for someone who wants to preserve an empire," said Mikhail Gorin, deputy chairman of Narodnaya Rada, a nationalist faction in the Ukrainian parliament, and one of ten Ukrainians who came to Moscow for the protest.

Mr Gorbachev, who is battling with breakaway republics and a crumbling economy, decided not to attend yesterday's peace prize ceremony in Norway because of the critical situation. Instead he was in the Kremlin at a plenary session of the Communist Party's Central Committee.

The Norwegian organisers awarded the peace prize to the Soviet leader in recognition of his efforts to promote disarmament and to end the Cold War. One of the protest members from Georgia said: "A president who is responsible for bloodbaths in Tbilisi, Baku, Yerevan and other cities does not deserve the Nobel peace prize."

Meanwhile, in Oslo yesterday Anatoli Kovalyov, the first deputy foreign minister, accepted the prize, a gold medal, a diploma and a cheque for 4 million Swedish crowns (£366,000), on Mr

Gorbachev's behalf. He read a message from the Soviet leader, the first Communist head of state to win the prize, which said the world faced a choice, "a unique opportunity for reason and the logic of peace to prevail over that of war and annihilation."

Mr Kovalyov said Mr Gorbachev did not see the award as a



Gorbachev: domestic troubles forced him to stay at home

personal honour, but "as a recognition of what we call perestroika and innovative political thinking, which is of vital significance for human destinies all over the world."

While the world moved towards peace in 1990, "there are some very grave threats that have not been eliminated: the potential for

conflict... aggressive intentions and totalitarian traditions," he added. Gidske Anderson, the head of the Nobel committee, said: "The Nobel committee wishes to emphasise the tremendous potential which is now available for a more secure world."

Mrs Anderson said that Mr Gorbachev had won because of his international achievements and "this is neither the time nor the place to discuss the Soviet Union's internal affairs."

But she hoped the award "will be recognised as a helping hand in an hour of need, as a greeting to all the peoples of the Soviet Union, as a sign that the outside world is watching their struggle with a sense of fellow feeling, and with a sense of participating in the historic events that are taking place."

However, Vladimir Bukovsky, the Soviet author and former jailed dissident who has lived in the West for 14 years, said that Western support for Mr Gorbachev "prolongs the agony of the Communist regime, which is doomed anyway, and the suffering of the Soviet people."

"We are convinced this is a mistake," said Juozas Karvelis, a member of the Lithuanian parliament. "Gorbachev's policy in the Baltic republics is doing nothing to strengthen peace — quite the opposite."

## Strike by drivers hits Bucharest

FROM TIM JUDAH IN BUCHAREST

SEVERAL hundred cement mixers, refrigeration lorries, dump trucks and other large vehicles blocked four of Bucharest's main avenues yesterday as Romania's militant drivers' union went on strike, calling for the government to resign and for other workers to join a general strike. Health workers and teachers have also started a "symbolic" strike.

President Iliescu yesterday telephoned Miron Mitrea, the leader of the drivers, and offered to mediate between his union and the government. The offer was accepted and a meeting is due to take place this morning.

The government is clearly worried the drivers' strike will spark industrial and social unrest during this month's emotional first anniversary of the revolution. Many commentators are predicting "something" is about to happen, but no one appears to know what. Widespread dissatisfaction with food queues, poor water supplies, lukewarm heating and inflation means Bucharest is nervous of anything which could provoke demonstrations in the next few weeks.

President Iliescu told Romanians last Friday that planned price increases for basic foodstuffs had been postponed.

## Kremlin cool over Walesa poll victory

FROM BRUCE CLARK IN MOSCOW

PRESIDENT Gorbachev yesterday wished Lech Walesa, a fellow Nobel Prize winner, good luck as Polish head of state, using language that was cordial but contained no trace of the warmth or congratulations that might be expected between leaders of nominally allied countries.

"History and life prove convincingly the need to develop co-operation and interaction between our states and peoples," Mr Gorbachev said in a telegram, adding that he hoped for the development of "friendly and good-neighbourly relations... in the interests of both countries and the construction of a new Europe."

The foreign ministry, meanwhile, did not volunteer any comment about Poland in its usual news round-up for the press. Mr Yuri Gromitskiy, one of its senior spokesmen, however, took

a question about Mr Walesa's victory in his stride.

While making no pretence of welcoming the result, he declared that "the Polish people have made their choice, as is their sacred right". He went on: "We are neighbours who have always co-operated... and we would like to hope that this co-operation will move forward under the new President too."

Helmut Kohl, the German Chancellor, was much warmer in congratulating Mr Walesa, and assured him that united Germany was a good neighbour (Reuters reports from Bonn).

"Poland stood at the beginning of a movement in Europe that also brought unity in freedom to the German people," Herr Kohl said in a message to Mr Walesa, adding: "Our two people are... called upon to contribute to the creation of a future Europe."

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# Break-up nearer after Milosevic win

YUGOSLAVIA shifted further towards disintegration yesterday, with Slobodan Milosevic's ruling communists apparently on the way to a landslide victory in Serbia's first free elections for more than half a century.

Amid accusations of vote-rigging, the Electoral Commission yesterday morning gave the final results of voting in five electoral districts. Mr Milosevic was the overwhelming choice for the presidency in all of them and his party, now calling itself socialist — although its methods, ideology and command of the economy remain communist — received a clear majority of votes, even in areas where there had been large monarchist and anti-communist rallies earlier this year. According to early returns, the party has won 80 of 140 seats. Based on the results from the five districts, Caslav Ignjatovic, chairman of the republic's Electoral Commission, estimated that there had been an 80 per cent turnout across the republic. He said the socialists also

The communists have been returned overwhelmingly in Serbia. Richard Bassett and Dossa Trevisan in Belgrade consider the implications

led the opposition for parliament in the five districts, although in one the socialist candidate did not win outright and would face a second-round run off. "All I can say is they are leading and leading well," Jova Vukelic, press spokesman for the Democrats, said.

Alexander Raznjatovic, another Democratic Party official, said that Mr Milosevic could even win an outright majority in his first-round bid to retain the republic's powerful presidency.

Centre-right coalitions topped the communists in Slovenia and Croatia in regional elections earlier this year. The early indications of communist gains on Sunday in Serbia and Montenegro, the last states to hold free elections, could increase tensions. The results are in sharp

contrast to Mr Milosevic's waning popularity. His increasingly rare public appearances have drawn only a handful of supporters to the streets to hear him.

Nevertheless, the results, in the wake of a campaign of unprecedented intimidation, even by Balkan standards, were not unexpected, although the scale of Mr Milosevic's victory stunned opposition leaders. It is the first time in Eastern Europe that the electorate has voted overwhelmingly to maintain the communist status quo.

Opposition leaders cited more than 150 examples of voting irregularities, including unsealed ballot boxes, voters without identity papers and Milosevic supporters voting in the names of people long deceased.

The opposition parties were

also hampered in their campaigning by being given access to state television only during the months immediately before the election. As in Bulgaria and Romania, the communists used every possible means to secure victory. Unlike Bulgaria, however, where the army remains apolitical, in Serbia the army threw its weight firmly behind the communists.

Mr Milosevic clearly also benefited from his promises of full employment by maintaining the command communist economy. The economic reforms of his opponents, which envisaged privatisation, would have led rapidly to 2 million unemployed over and above the present 1.5 million out of work in Yugoslavia.

Serbia's economy is one of the weakest in Yugoslavia. Per capita output is 15 per cent below the average. Mr Milosevic had no remedies for the dramatic fall in living standards which has overtaken the country in recent months except greater centralisation. This is unlikely to alleviate Serbia's £2 billion of debts and

£2.5 billion of losses incurred since Mr Milosevic became president three years ago.

The communist victory also has serious implications for Yugoslavia's fragile unity. Mr Milosevic's success can only encourage the northern republics of Slovenia and Croatia to move as swiftly as possible to sever their links with what they regard as the bolshevik rump of Yugoslavia. Slovenia already intends to hold a plebiscite on its independence later this month. The result will almost certainly give the republic's government the green light to decide on secession.

Mr Milosevic, who opposes the idea of a Yugoslav confederation, has always refused to negotiate with the Slovenes. He has also rejected the idea of talks with Croatia where, as in Slovenia, a democratically elected anti-communist government favours divorce from Serbia.

Vuk Draskovic, the leader of the largest opposition party, yesterday described the results of the Serbian election as "a national catastrophe".

## Havel seeks extra powers to preserve single state

FROM PETER GREEN IN PRAGUE

PRESIDENT Havel of Czechoslovakia said yesterday he would ask parliament to grant him vast new powers in an effort to head off a constitutional conflict which he said could threaten his country's existence and plunge it into economic and political chaos.

In an emergency speech to the federal assembly, which was televised nationwide, Mr Havel said that threats by political leaders in Slovakia to declare primacy of their laws over those of the federal parliament would lead to legislative chaos and the dissolution of the state.

"Our young democracy and the existence of our state itself are endangered," Mr Havel said. "I am very sorry I had to go this far. I am doing this to fulfil the expectations of millions of citizens who entrusted this position to me and believe I will help save our federation."

"Our state is not this time threatened from the outside, as so many times in the past, but from the inside. We are threatening it ourselves with our low political culture, lack of democratic consciousness and mutual understanding... our lack of experience and personal bad qualities."

Mr Havel singled out Vladimir Meciar, prime minister of the Slovak republic, for criticism. Mr Meciar has threatened to declare Slovak laws supreme over federal laws if Prague modified a previous agreement on sharing power among the federal and republic governments that gives economic and administrative powers to the republics.

The Czech and Slovak parliaments differ on control of oil and gas pipelines, taxation and budget questions, postal services, policy toward ethnic minorities, and chairmanship of the national bank. The new law keeps foreign policy, defence and general economic and monetary policy under federal control.

Mr Havel said a declaration of Slovak sovereignty was clearly unconstitutional, and told the country that whatever decision parliament makes is legally binding "on all institutions and all people". Otherwise, "the thin ice of our constitution will be broken and our state would inevitably fall into legal chaos".

He said if that happened he would then have to declare laws made by the Slovak parliament as unconstitutional and this would lead to the dissolution of Czechoslovakia.

"We would be the first disintegrated or perhaps terminated state in post-world war two Europe," Mr Havel said. The consequence would be "total economic collapse

with permanent social unrest" and "very probably the end of democracy" for Czechs and Slovaks. "Future generations would curse us and the rest of the world would proclaim us fools," Mr Havel added. He cited a recent public opinion poll showing that 70 per cent of Slovaks and 74 per cent of Czechs thought the Slovak moves were part of a political game that did not reflect the wishes of the people.

Mr Havel presented two bills to parliament to help iron out this and future problems. One bill would create a constitutional court, and the other bill would allow any big political issue to be put to the voters in a referendum. But Mr Havel said that until parliament adopted a new democratic constitution, he would have to assume greater powers himself.

He did not specify what powers he wanted but said that they would be included in a bill to be presented to parliament and he urged that it be considered immediately.

"I believe strongly you know me well enough that you need not suspect I desire to increase my own power. I am doing this to fulfil the hopes of millions of people who elected me in this country, who think that I will help to save our federative state," he said.

Defending his call for greater powers, Mr Havel did not rule out calling in the army if there was no other way to save the union.



Star striker: Helmut Kohl, the German Chancellor, kicking a football at half-time during a match between Bayern Munich and the Soviet Union in Munich to raise money for Soviet food aid

## De Klerk party will play role in talks

Johannesburg — President de Klerk's National Party has decided to set up a formal negotiating team, which would ostensibly act independently of the government in Pretoria, to take part in talks next year on a new constitution (Gavin Bell writes).

The move is seen as an attempt to overcome objections to the government both negotiating and supervising the transition process. It is expected that senior ministers, such as Gerrit Viljoen (constitutional development), would quit the cabinet to lead the party's team.

The African National Congress has reaffirmed its commitment to conciliation, and the Inkatha Freedom Party, the powerful Zulu organisation, has formally centred the process. The Pan Africanist Congress is refusing to join the negotiations.

The effect is to bring the principal parties closer to the negotiating table and to strengthen their resolve to curb political violence. President de Klerk and Nelson Mandela, the ANC deputy president, said yesterday private talks they had made significant progress towards ending strife in the townships.

## Chinese plenum

Peking — Despite indications that China's Communist Party cannot agree even on basic economic policy, Li Peng, the prime minister, said yesterday that the Central Committee would hold a plenary session late this month which would concentrate on economic planning. The plenum was originally scheduled for October, but has been repeatedly delayed by rows about the economic road ahead.

## Petrol protest

Manila — The government has reduced the newly-increased price of petrol as thousands of protesters and strikers across the Philippines demanded that President Aquino resign. Mrs Aquino had said that there was no choice but to pay more because of increases in world crude prices since Iraq invaded Kuwait. But the protesters said the price reduction was insufficient. (AP)

## Fighter deal

Kuala Lumpur — Malaysia has signed a contract to buy 28 Hawk fighter aircraft — ten Hawk 100s and 18 Hawk 200s — worth about £400 million. British Aerospace, the manufacturer, is to set up a regional service centre for the aircraft with the Malaysian aircraft service company. For this, £80 million has been earmarked, spread over 20 years.

## Tamil rebel shot

Colombo — Government troops shot and killed a Tamil rebel leader while he was leading an attack on the Kaduvan army camp in the Jaffna peninsula, military officials said yesterday. Another Tamil rebel, two government soldiers and five Sinhalese extremists belonging to the People's Liberation Front were killed in separate operations elsewhere in the country as well. (AP)

## Down to earth

Cape Canaveral — The space shuttle Columbia was heading for a landing in California a day earlier than planned after NASA shortened its problem-plagued astronomy mission because of bad weather. The mission was rescheduled as rain and gusty winds today were deemed unsafe for a landing. The latest in a spate of problems encountered by the crew was a clogged lavatory. (Reuters)

## Paris Bastille opera house faces threat of revolution

FROM JOHN PHILLIPS IN PARIS

LESS than 18 months after the inauguration of the Bastille Opera House to the strains of the *Marseillaise*, Michel Rocard, the prime minister, was quoted yesterday as threatening to close the troubled institution unless its management makes revolutionary reforms.

President Mitterrand decided in 1982 to build the new Paris opera house at a cost of two billion francs (£200 million) to make the arts more accessible. But a series of setbacks has plagued the circular, 10-storey complex since it was opened by 10 of the world's best opera singers on the eve of the bicentennial Bastille Day celebrations.

In the latest hitch, the management late last month was forced to cancel perfor-

mances of the opera *Otello* because of a week-long strike by orchestra musicians demanding a pay increase.

The weekly news magazine *Le Point* said yesterday: "Rocard considered recently that he does not exclude the pure and simple closing of the Bastille, if a solution does not intervene rapidly." The report described Pierre Bergé, the 60-year-old opera president and founder of the Yves St Laurent fashion empire, as "en panne" (broken down). "The president of the opera of Paris is not emerging from difficulties of all sorts that prevent the normal functioning of the Opéra-Bastille," *Le Point* said.

M. Bergé yesterday defended his record. "One speaks badly of these poor operas of Paris," he told the magazine *Express*. "I admit it, but on condition one talks also about the others — that one not pass over in silence the three-month closure of the Metropolitan (in New York) because of strikes, the total disfigurement of Covent Garden. One builds an opera in several years and I have the time. Whether they like it or not, everybody will be obliged to wait. That is the way it is."

The stoppage by the musicians is the latest in a series of snags. Even before the inauguration of the Bastille Opera, M. Bergé sacked, in January 1989, Daniel Barenboim, the Israeli artistic and musical director of the Opéra-Bastille, after he refused to take a cut in salary. He was replaced by the young

Korean director, Myung Whun Chung. M. Bergé, a fervent campaigner for President Mitterrand who often is criticised by French conservatives for being a member of what they call the "cavorting left", also has had trouble with the 111-year-old Palais Garnier Paris opera house, where he replaced Rudolf Nureyev with Patrick Dupond to oversee the artistic direction of ballet performances.

As well as serving as the unpaid director of the Palais Garnier and the Bastille Opera, M. Bergé is in charge of the Opéra Comique. In 1977 he bought the Théâtre de l'Athénée in Paris and staged concerts featuring prestigious singers, such as Plácido Domingo and Jessye Norman, before selling it to the government for a symbolic one franc (10p).

Rocard issued "reform or close" ultimatum

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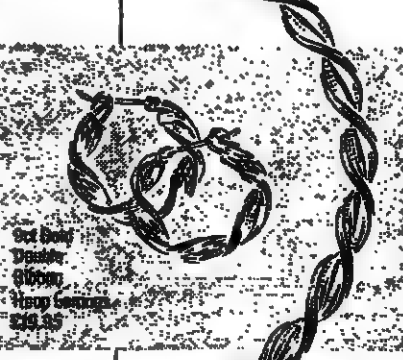
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# Defence chief admits fears of 'substantial' Gulf casualties

By MICHAEL EVANS, DEFENCE CORRESPONDENT

THE government's most senior military adviser yesterday admitted he feared there could be "substantial" casualties if war were to break out with Iraq.

Sir David Craig, chief of the defence staff, also rejected the view that such a war could be quick and easy.

Sir David's remarks during a speech to senior officers of the Royal Military Academy in Sandhurst, the most senior British chief of staff to visit the Soviet Union since the second world war, made it clear he had not ruled out a war, in spite of the recent diplomatic moves which have led to new hopes of a peaceful settlement, saying: "Unpalatable though it may be, armed force may still be required to contain and defeat a dictator who thinks that war, invasion and the taking of hostages are legitimate tools of national policy."

Sir David said it was up to political leaders to decide on the use of force, but added: "It is clear that to allow Saddam Hussein to profit by his illegal act would be a major setback for the international community at the very moment when, in ending the Cold War, we have achieved so much in improving security in Europe."

Although Soviet forces are not among the multinational build-up of troops in Saudi Arabia, Sir David praised the support the Soviet Union had given the United Nations for introducing effective sanctions. "No longer can an aggressor count on East-West antagonism to prevent concerted UN action," he said.

Sir David issued a warning against "any weakening of resolve" on the part of the international community, which would undermine the prospects for the UN taking a prominent role in maintaining global security.

● **DHAHRAN:** Two more US soldiers were killed in weekend accidents in Saudi Arabia, raising to 53 the number of Americans who have died in Operation Desert Shield, the army said yesterday (Reuters reports).

One soldier died on Sunday when the articulated lorry he was driving overturned and the other died in a separate incident, also on Sunday. Britain, France and Spain have each lost one soldier due to accidents in the multinational build-up since August.

Hostages home, page 1  
More Gulf refugees, page 14

France said yesterday it was increasing its contingent in Saudi Arabia by at least 1,000 men before January 15 to bolster its artillery firepower and to provide extra tank and air power.

"A decision of principle at the highest level has been taken concerning reinforcements that had been requested for a long time to ensure the maximum security of our forces," Jean-Pierre Chevènement, the defence minister, told a press conference after a ministerial meeting of the Western European Union.

Full details of the reinforcement would be published after the French chief of staff had studied the logistics, M Chevènement said.

But defence ministry sources said about 1,000 artillery gunners would be sent to Saudi Arabia armed with between 18 and 24 155mm field pieces. Also to be sent are AMX-30 heavy tanks to bolster the lightly armoured French force of 6,250 men in place in Saudi Arabia, as well as some additional combat aircraft, the sources said.

France already has 24 war planes including Mirage F1 reconnaissance aircraft, Mirage 2000 bombers and Jaguar fighters in the Gulf. One of the Mirage F1s crashed during a training flight on Friday, killing the pilot.

Roland Dumas, the French foreign minister, restated yesterday that no compromise was possible with Iraq before a complete retreat of Iraqi forces from Kuwait.

will be required to force the Iraqis out of Kuwait. An extensive air bombardment, lasting several days, was initially felt to be sufficient to defeat the Iraqis.

Sir David, the most senior British chief of staff to visit the Soviet Union since the second world war, made it clear he had not ruled out a war, in spite of the recent diplomatic moves which have led to new hopes of a peaceful settlement, saying: "Unpalatable though it may be, armed force may still be required to contain and defeat a dictator who thinks that war, invasion and the taking of hostages are legitimate tools of national policy."

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Flying visit: Sir David Craig, Britain's defence chief of staff, sitting in a MiG-29 during his visit to Kubinka airbase outside Moscow yesterday where he made it clear he had not ruled out war with Iraq despite the current diplomatic moves. Sir David is the most senior British chief of staff to visit Moscow since the second world war

## UN likely to compromise on Middle East peace proposal

FROM JAMES BONE IN NEW YORK

A POSSIBLE compromise on a controversial United Nations resolution on the Israeli-occupied territories was emerging yesterday, just hours before the Security Council was due to vote.

Diplomats from the United States, Yemen, this month's council president, and Finland, a neutral party in the talks, were discussing removing any reference to an international peace conference from the main resolution to be voted on — thus allowing the United States to support it.

The provision endorsing the convening of an international conference would be re-submitted as a separate resolution which the US was expected to veto. However, it is possible that the Americans may not have to use their veto in the second vote on the provision because its appearance of linkage with the Gulf conflict could persuade enough countries not to support it.

American officials have said that, although the provision on the international conference uses the precise wording of official US policy, Washington is reluctant to vote for it in a security council resolution lest it be perceived as a concession to Iraq, which has demanded linkage between the Palestinian issue and Kuwait.

Although the compromise

would probably involve an American veto, which would damage Washington's alliance with Arab nations against Iraq, it found some support among council members.

The proposal would allow passage of the main provisions of a draft resolution intended to protect Palestinians in the wake of the killings in Jerusalem's Temple Mount in October. That would allow America's Arab allies against Iraq to claim that Washington was not hostile to the Palestinians.

Those provisions include preparations for a meeting of the signatories of the Fourth Geneva Convention to force Israel to comply with the rights it bestows on civilians under occupation, and the monitoring of the occupied territories by the UN.

The moves towards a compromise on the UN resolution came as President Bush prepares to meet Yitzhak Shamir, the prime minister of Israel, for talks today. The meeting, the first such encounter in 10 months, is being held against a background of rising Israeli anxiety that the US will reach a compromise with Iraq which will leave President Saddam Hussein and the Iraqi military infrastructure intact.

Israel also fears that despite

Western denials, President Saddam will succeed in linking Kuwait with the Palestinian question.

In Israel, David Levy, the foreign minister, demanded assurances from the US that it intended to destroy President Saddam's military capability and indicated that Israel would drop its current "low profile" if no such assurances were forthcoming. Mr Levy told a Knesset committee that the US presence in the Gulf had increased the danger to Israel.

The present calls for an international peace conference on the Middle East date from a UN conference on the question of Palestine in Geneva in 1983, which was boycotted by Israel and the United States.

The Geneva declaration issued at the meeting laid down six guidelines for a peace settlement — including an Israeli withdrawal from the territories it occupied in 1967, including east Jerusalem, and the creation of an independent Palestinian state.

To achieve these goals, the conference called for an international peace conference under the auspices of the UN with the participation of all parties to the Arab-Israeli conflict, including the Palestine Liberation Organisation, the US and the Soviet Union.

## Kuwait vows it will never agree to any border compromise

By MICHAEL KNIFE, DIPLOMATIC CORRESPONDENT

KUWAIT'S government-in-exile said yesterday that it would not agree to any adjustments of its borders, as speculation mounted of a possible compromise solution.

The Kuwaiti foreign minister dismissed as totally untrue reports that Saudi Arabia and the exiled government of Kuwait had been holding secret contacts with Iraq through third parties in order to settle the border dispute between Iraq and Kuwait.

The reports suggested that Kuwait might offer to give Iraq full control of the Rumaila oilfield, which extends across the Iraqi border into Kuwait, and grant Baghdad leases on Warba and Bubiyan, two islands in the Gulf long desired by President Saddam Hussein.

Before the Iraqi invasion, Rumaila was yielding 10,000 barrels a day — 0.5 per cent of its total production of two million. Iraq claims Kuwait is stealing oil worth \$2.4 billion from its section of the oilfield by using slant-drilling technology.

Warba and Bubiyan are marshy mudflats at the uppermost northern corner of the Gulf. Their only inhabitants are migrating birds, save for a modest police outpost on Bubiyan. But, as they block direct access to the Gulf from the Iraqi port of Umm Qasr, they have considerable strategic value for Baghdad.

This has been increased by President Saddam Hussein's decision to cede to Iran his claim to

the Shatt al-Arab waterway which lies a few miles to the northeast and is Iraq's only other possible route to the Gulf.

Warba, the northernmost island, is only about seven miles by two miles in size. Bubiyan is about 18 miles wide and boasts a causeway linking it to the Kuwaiti mainland. This was built by the Kuwaitis about five years ago to strengthen their links to the island, given Iraq's undisputed interest in acquiring it, which increased during the Iran-Iraq war in spite of the financial backing it received from Kuwait.

Kuwaiti exile sources in London said there could be no question of using either the oilfield or the islands as bargaining chips. However, they did not dismiss the possibility of allowing an independent body such as the World Court to rule on the issue. They said that before the invasion the Kuwaiti government had said it would have nothing to fear from such an assessment, as Iraq's claim was baseless.

Iraq, which has annexed Kuwait and proclaimed it its 19th province, also made clear yesterday that its claim to the territory was not open to negotiation.

Meanwhile, Kuwaiti exiles have said they regard President Saddam's decision to release foreign hostages as a direct result of the United Nations Security Council resolution warning that "all necessary means" will be taken to bring about Iraq's withdrawal from Kuwait.

## Invaders' reign of terror goes on

FROM CHRISTOPHER WALKER IN AMMAN

A disturbing picture of a continuing wave of terror being imposed by trigger-happy Iraqi soldiers inside occupied Kuwait was provided yesterday by a leading Western doctor who left the emirate three weeks ago.

Until he moved to Baghdad last month, Doctor Gisli Sigurdsson, the only Icelandic hostage, was head of the intensive care unit in Kuwait's Mubarak al-Kabir, the main civilian hospital. "Every day of the week young people were being brought in with gunshot wounds, usually in the chest," he said. "Shooting was the common punishment used even for minor crimes. Often it was carried out at the spot without any further attempt at interrogation or trial."

The doctor, who arrived in Amman on an Iraqi Airways jet, said that until he had gained his

freedom he had been unable to speak freely about what was happening in Kuwait although he had met Western journalists during three weeks in Baghdad under Swedish diplomatic protection. "The soldiers were very nervous and every day we had cases of serious gunshot wounds," he said.

"For instance, one Kuwaiti had been standing two hours in a bread queue when an Iraqi soldier pushed in front of him. The Kuwaiti asked why the soldier did not use the separate military bread line, which anyway was much quicker. At that point he was dragged out of the queue and shot through the chest and abdomen. Another minor crime for which the penalty was summary shooting was changing money illegally. People caught would be shot there and then on the street."

The doctor said many babies

were dying in Kuwaiti hospitals because the invasion had driven away staff. But he also disclosed that reports of deliberate maltreatment of hospital patients by occupying soldiers had been exaggerated for propaganda reasons.

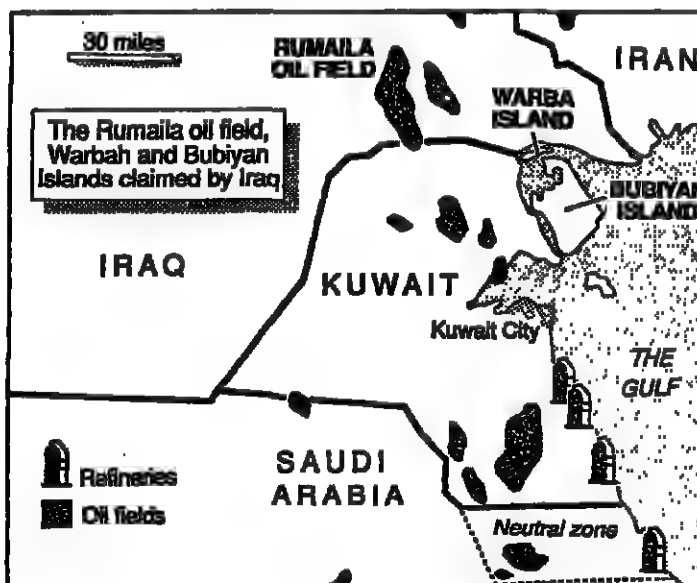
"That news was not true," he said of widely circulated accounts that Iraqi troops had removed premature babies from incubators and left them to die while they took equipment to Baghdad. "In fact they did not take equipment from hospitals other than military hospitals and clinics," he added. "However, lots of babies died because of lack of staff."

Doctor Sigurdsson claimed that the object of Iraqi policy in Kuwait appeared to be to drive out as many Kuwaitis and Palestinians as

possible and to remove as much material as could be taken to Baghdad. "I repeatedly saw things in Baghdad shop windows on which they had not even bothered to remove the price tag in Kuwaiti currency," he said.

He said that senior members of the Iraqi medical profession had arrived at his teaching hospital to ransack its renowned library. "It was very disturbing to see colleagues come and just sack the building, taking everything away to Baghdad," he said.

According to another witness, Abdullah al-Shayji of Kuwait University, who escaped two weeks ago, property taken away by the Iraqis included computers, telephone booths and paving stones, as well as desks, chairs and books from schools. They had also emptied warehouses, burnt offices and made off with the furniture and cars of fleeing residents.



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# Voters give key role to former guerrillas in Colombia

FROM JAMES BROOKE IN BOGOTÁ

COLOMBIAN voters made a former guerrilla group the largest force in the nation's constitutional convention, while soldiers destroyed the mountain headquarters of the nation's biggest active guerrilla group.

Spurning traditional political parties, the voters on Sunday gave 30 per cent of their ballots to the M-19, a group that laid down its arms in March.

Carrying out a different policy towards active guerrillas, the same day 500 soldiers overran Casa Verde, the command centre of the Colombian Revolutionary Armed Forces (Farc). Forty-six aircraft dropped 10 tonnes of bombs on the base during the operation, killing 60 guerrillas and leaving seven soldiers dead, the ministry of defence said.

The bombing and occupation of the headquarters of the 7,000-strong group seemed to represent a new headline policy toward Colombia's two remaining guerrilla groups, the Revolutionary Armed Forces and the National Liberation Army.

Three small groups that headed a government call to start disarming by Sunday's election are to be rewarded with two seats in the constitutional convention.

Sunday's vote will bring together in the same convention hall in February a former kidnapping victim and his captor. In the balloting, with 39 per cent of the vote counted, M-19, led by Antonio Navarro, was winning 35 per cent of the vote in the race for 70 elected seats. In second place with 26 per cent of the vote was a six-month-old right-wing group, the National Salvation Movement.

The movement's leader, Alvaro Gómez, spent 50 days as a hostage of the M-19 guerrillas in 1988. Although abstention was high — about 75 per cent in this city — the vote marked a remarkable turnaround in the fortunes of the M-19 group. By the time the 16-year-old group had laid down its arms in March, its ranks had dwindled to 881 guerrillas.

In congressional elections in March, the M-19 won one seat. In

presidential elections in May, Señor Navarro won 700,000 votes or 12.5 per cent of the vote. On Sunday the M-19 is believed to have received slightly more than one million votes.

The strong showing of M-19 and of the National Salvation Movement marked a breakdown in the 150-year dominance of Colombian politics by the Liberal and Conservative parties. With results incomplete, the Liberals, the party of President César Gaviria, were trailing in third place. The Conservatives are coming a distant fourth.

"The ruling class has lost control of the political process," said Diego Montaña, a veteran leftist who supports the M-19 coalition.

The results seem to illustrate a new phenomenon in Latin American politics: the overnight popularity of little-known politicians. Last year Brazilians elected as president Fernando Collor de Mello, who had been governor of one of Brazil's smallest and poorest states. Last June, Peruvians elected Alberto Fujimori, a virtually unknown agronomist, as president.

The convention is scheduled to meet between February and July and is to have unrestricted powers to rewrite Colombia's 1886 constitution.

The M-19 delegates will represent a break with the conservative mould of Colombian politicians. The M-19 delegation will include the coach of the national football team, the former director of the National Agrarian Reform Agency, three human rights lawyers, three Marxist trade unionists, and nine former guerrillas.

Despite the strong left-wing slant in the delegation, Señor Navarro, a 41-year-old engineer, has advocated a centre-left line on economic issues.

He has called for anti-trust legislation to break up Colombia's industrial monopolies, for privatising many state enterprises by selling shares to employees, and for promoting free trade with Venezuela.

(New York Times)



Victims of violence: Indian women weeping outside the remains of their home in Aligarh in northern Uttar Pradesh, which was destroyed in the ongoing Hindu-Muslim clashes which have killed more than 100 people in four days. In Aligarh alone the death toll rose to 40, officials said.

They reported bomb blasts and some sniping. Large quantities of illegal arms and home-made bombs were also found. A policeman was quoted as saying the city had been turned into an arsenal. The fresh violence came after a local newspaper reported that patients had been killed in

hospital. Officials described the report as "totally baseless". The town has a large Muslim population and, as in other areas, the clashes result from a continuing campaign by Hindu militants to tear down a mosque in the town of Ayodhya and replace it with a temple to their god, Lord Rama.

## Fairfax press empire ends in disaster

FROM ROBERT COCKBURN IN SYDNEY

AUSTRALIA'S oldest newspaper tradition, that of the once noble Fairfax group, ended yesterday in receivership.

After its papers hit the streets for 149 years, the group's demise at the hands of Warwick Fairfax, the family's reclusive young heir, is making as good a story as any it has printed in that time. The story also leaves Australia's more contemporary media disasters — those of Alan Bond, Christopher Skase and others — looking merely pale by comparison.

The migrant family from Warwickshire which acquired the *Sydney Herald* in 1841 (it became today's *Sydney Morning Herald* a year later), Melbourne's *The Age* in 1854, and later the influential *Financial Review*, was yesterday forced to submit to banks and junk bondholders who are owed \$Aus 1.5 billion (about £500 million).

However, if "Young Wocka" Fairfax, 29, as the born-again Christian heir is known, had

listened to any of his many advisers, who included William Simon, the former American treasury secretary, the group's story might have had a different ending.

"Wocka's Folly" began three years ago when, as a 26-year-old graduate of the Harvard Business School, he returned to save the Fairfax group from a host of perceived enemies he and his mother, Dame Mary Fairfax, saw as a threat to the group.

He was driven by Lady Fairfax, a vivacious socialite with a mission of regaining personal control of the newspaper group, and followed what proved to be bad advice, borrowing heavily to finance the overpriced buy-out of \$Aus 2.2 billion. His advisers included Laurie Connell, a failed merchant banker now facing charges in Western Australia.

Rarely seen in public or by his staff, Mr Fairfax presided at a distance over continuing wrangles within the family and the boardroom, and over a procession of

executives and advisers, many of whom resigned in exasperation.

The group's titles, which assumed the mantle of liberal quality journalism in Australia, have lost much of their authority as a result. As things turned out, Wocka Fairfax did not know the first thing about newspapers or the art of communication.

"He's impetuous," Vic Carroll, the former editor-in-chief of the *Sydney Morning Herald*, who has written a book entitled *Warwick Fairfax's Folly*, told the ABC news programme. "He's never spoken very much. He's a man of strong convictions and strong religious convictions."

Mr Fairfax and his mother have lost their entire stake in the enterprise. The banks, led by the Australia and New Zealand Group, would like to keep the prestigious titles together, but these are up for grabs, in the same way as Australia's broken commercial television stations.

Some of Australia's leading

writers, including Thomas Kenally, and journalists and politicians have launched a campaign to prevent Rupert Murdoch, whom they cite as having the highest concentration of media ownership in the Western world, from acquiring any part of the group and thereby increasing his 70 per cent ownership of Australia's newspapers.

Mr Kenally blamed the Labor government of Bob Hawke, the prime minister, for selling out the country's media to Mr Murdoch and Kerry Packer, and said any further concentration of media ownership would be "a threat to democracy".

Australia has lost seven newspaper titles in the last three years alone. But the government has objected to foreign ownership of the Australian press and rejected approaches by Robert Maxwell to buy *The Age* and other titles during that time. However, if a wealthy investor is not found, the main Fairfax titles and their staff face an uncertain future.

## Demands for Ershad to be tried or exiled

FROM CHRISTOPHER THOMAS IN DHAKA

AMID deepening political uncertainty in Bangladesh, opposition leaders yesterday demanded that Hussein Mohammad Ershad, the former president ousted a week ago, face trial or be sent into permanent exile abroad.

The former general's future has emerged as a potentially explosive issue as Bangladesh moves unsteadily towards parliamentary elections due early next year. He spent his seventh consecutive day sheltering behind the heavily guarded walls of a cantonment in central Dhaka yesterday. His appearance in public would unleash mass demonstrations. Even the army seems embarrassed by him. The big Ershad army stadium no longer bears his name — a small but stinging snub to the man who dominated Bangladesh for nearly nine years after seizing power in a bloodless coup.

There is incredulity that he intends to contest the election, which is likely to be called in late February unless the military intervenes. He could not possibly conduct a normal campaign in such a hostile atmosphere.

So far the army shows no inclination to impose martial law unless the campaign turns excessively violent. Sheikh Fazlul Karim Scim, editor of the mass-circulation daily, *Banglar Bani*, said he believed the military wanted to confine itself to a policing role. He said that, regardless of who won, the military would still influence the civil administration, the police and foreign service because so many of its appointees occupied senior positions.

Sheikha Hasina Wazed, leader of the opposition Awami League, regarded as the likely victor if the election is not rigged, said yesterday: "Ershad should be tried. He ruined the economy. His corrupt government tortured and killed our people." She said her party would settle for his exile.

In a pruning of the administration, the acting president, Shahabuddin Ahmed, has dissolved powerful district councils and sacked city mayors appointed by Mr Ershad.

Western aid organisations reopened their offices, textile factories, which produce the country's main export, resumed work, and banks reopened yesterday.

## Saturday Review



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# The voice at Major's ear

David Willetts

Every prime minister since 1974 has had a Number Ten Policy Unit, though different prime ministers have used them differently.

Under Mrs Thatcher the unit was seen by its critics as an instrument of presidentialism. In fact foreign visitors are always amazed that the head of the British government has a personal advisory staff of fewer than 20. By contrast, any minister coming to a meeting at Downing Street will have been fully briefed by the officials of a large department. Even a prime minister with as relaxed and collegial a style as John Major therefore needs an effective policy unit. What particular tasks should the unit under Sarah Hogg, its new head, now be taking on?

For a start, departments will want to regain the most controversial decisions of the Thatcher years, principally the community charge. But there will be others. New ministers and a new prime minister will want to see where the shoe of government policy is pinching hardest and to do something about it. But political prudence dictates that there have to be limits. The last thing John Major needs is for every interest group to believe that it only it ticks up a big enough list it can change the policies inherited from Mrs Thatcher's government.

Here the policy unit can help. It can sift through these objections to government policy. Are they important messages from the real world or are they merely unimaginative obstructionism? Ministers who are always convinced by Whitehall objections end up doing nothing. Those who always ignore them end up in terrible scrapes. Outsiders do not often appreciate the skill of the ministers who get those judgments right. The Policy Unit can provide the prime minister with pertinent questions and advice so he can properly test the judgments of his new ministers.

The unit should look not just at the merits of moving away from existing policies. It might also see if Mr Major should encourage ministers to look again at ideas that, under Mrs Thatcher, were ruled out. Road pricing, for example, has been backed by a range of experts from Sir Alan Walters to the left-wing Institute for Public Policy Research. Perhaps it is an idea whose time has come.

Another job for the unit is to raise those issues that would not otherwise get proper ministerial attention because they fall between different departments. This provides fertile ground for practical and politically attractive initiatives by Mr Major. Take, for example, the rundown of the defence estate as the peace dividend is cashed in. In some parts of the country the future of these sites is of enormous local concern. Using them wisely means getting the Ministry of

Defence, the Department of the Environment and the county councils to work together, to avoid haphazard disposal.

Another initiative could be in policy towards elderly people. Too often they are thought of as a burden when actually they do far more charity work and child-minding than the rest of the population. They need much more political recognition (after all, 40 per cent of people who vote are aged over 55). The past decade has seen a steady reduction in the number of 60-year-olds in work, yet we are told there is a demographic crisis in the jobs market.

A judgment by the European Court seems to require British employers to make pension ages for men and women the same. But to lower the male pension age, it is suggested, could cost employers up to £40 billion, as well as further cutting paid work for old people. This is exactly the sort of issue where the policy unit can help.

The unit can also counteract one of the greatest weaknesses of Whitehall (and indeed Westminster) — the high status given to formulating new policies and the low status given to implementing existing policies. After a white paper is published or legislation is passed, everyone's interest moves on to the next new subject, and relatively junior people are often left to do the real job of ensuring that the policy works in practice. The next Conservative manifesto cannot just set out new ideas for future policies but must also show how existing policies are working.

As a practical man, Mr Major will be interested in what works and what does not. Why have millions more people opted out of the state earnings related pension scheme than anyone dared hope while so few council tenants have opted for independent management of their housing estates? Why has freeing polytechnics from local authority control gone so smoothly while grant-maintained schools have been more controversial? Finally, the unit can help the prime minister by keeping him supplied with that most precious commodity — vivid, accurate information. Too many Whitehall papers are long on arguments and short on facts. And if they do have facts they are like the details in a surrealist painting — accurate but oddly removed from reality. Every member of the unit should spend at least one day a week outside Whitehall, ideally outside London, visiting hospitals, factories, schools. A short note to the prime minister on what they are actually saying in a hospital in Basingstoke or a training scheme in Hands-worth could be the unit's most valuable service of all.

The author, director of studies at the Centre for Policy Studies, is a Conservative prospective parliamentary candidate.

...and moreover

## ALAN COREN

I have always been sorry for Elbert Hubbard. I have been sorry for Elbert Hubbard because very few of you have heard of him, and that is neither his fault nor yours. It is the fault of Ralph Waldo Emerson, of whom you have all heard and one of the reasons you have all heard of him is that, were you to be asked for the first quotation that came to mind when Emerson's name was bandied about, you would in all probability cry: "If a man make a better mousetrap, though he build his house in the woods, the world will make a beaten path to his door."

This, however, was not the most memorable thing Emerson ever said; it was the most memorable thing Elbert Hubbard ever said; though let me quickly add — lest you begin chucking your *Collected Works of Emerson* in the bin and banning all mention of his name at your dinner-table — that Emerson's fault in this unhappy affair was not plagiarism, merely fame. The two villains properly to blame are Mrs Sarah Yule and the commander of Unterseeboot 20.

For it was jobbing journalist Mrs Yule who credited the apothem to Emerson, believing the great man to have delivered it during a public lecture, when that lecture had in fact been delivered by Elbert Hubbard, an unguessed man from Bloomington, Illinois. But since Emerson was dead, Hubbard was forced to spend the rest of his life attempting to prove that the words were his; something he might very well have achieved had he not made the fundamental mistake of buying a ticket for the Lusitania.

All of which poignant saga suddenly came back to me in the Waitrose checkout queue on Monday. Thither I had trolleyed, among other victuals, a stringbagful of Californian walnuts, and as I detrolleyed this on to the counter, something shiny slid through an interstice and fell to the floor. When I picked it up, I found it to be a triangular piece of metal with the words "California Quality" engraved upon it.

"What's this?" I asked the checkout girl.

"It's a walnut opener," she replied. "It's a free gift. You poked the sharp bit in the end of

the shell, and after you've opened it, you sort of dig the nut out with it."

As she began clocking up items, I began gathering wool: 6,000 miles away, in Pasadena, perhaps, or Malibu or some such resonant spot, grown men had, one morning, parked their company convertibles before the towering smoked-glass flanks of the Walnut Building, through automatic doors into the air-cooled atrium with its fabled display of dwarf jugs and regis, and been whisked 50 floors up to the Marketing Penthouse, there to foregather around a single piece of magnificent hand-hewn trunk, loosen their ties, decant their Perrier, and discuss the way forward for the walnut industry.

What were the options? Build Walnutland on a thousand acres of prime Pacific foreshore — its magic rides in giant shells, its nut-shaped family cabins, its wondrous thousand-seater vegetarian Endow a University of Walnut, lay down the Transcontinental Walnut Turnpike, send a Space Walnuttile arcing into the void, there to bleep forever, its dietary jingles every hour on the hour? Underwrite a Teenage Mutant Ninja Walnuts blockbuster, to catch them young?

The long days pass, the room fills with smoke, Perrier yields to bourbon. For a long while there is no sound save the beating of the ocean and the Muzak murmur of the Walnut Tabernacle Choir, until, suddenly, a hollow-eyed executive clears his throat, warns them that he is of course merely running this up the walnut tree to see if anybody shakes it, and mutters: "If a man make a better nutcracker, though he live in the woods, the world will make a beaten path to his door."

And a puff of white smoke rises, slowly, above the Walnut Building.

"£39.76," said the girl at the checkout till. I shook myself, and showed the stuff in a plastic bag. "Don't forget your whatsit," she said.

I took it from her, and looked at it. I did not know what to call it, either; and then a fine thought struck me. Whether, however, it should be known as an Elbert or a Hubbard, I have not yet decided.

Prince Sadruddin Aga Khan warns of another mass exodus if the shooting starts

# Prepare now for more Gulf refugees

As the western hostages start to fly home from Iraq, the other human costs of the Gulf crisis are beginning to be counted. It is now three months since hundreds of thousands of low-paid foreign workers streamed across the desert into Jordan. By mid-October, nearly 750,000 had been repatriated to their countries of origin, mostly in Asia. Thanks to the generosity of Jordan, as well as the efforts of the United Nations system, donor governments and the International Organization of Migration, the result was one of the largest and most orderly evacuations in recent history.

For a few days, at the beginning of September, the world's media focused on the desperate conditions in the unprepared transit camps. But as the story began to lose its novelty, and as the number of evacuees in the camps dwindled, the media reverted to respective troop levels, firepower and megaphone (or rather satellite-TV) diplomacy. Humanitarianism, in so far as it featured at all, was confined to the visits of prominent western personalities,

shuttling to Baghdad in search of hostages, publicity, or both.

The humanitarian problem will not be behind us, however, until stability in the region is restored. More than a million foreigners remain in Iraq and Kuwait, many of whom may yet wish to leave. The camps in the Jordanian desert may be empty for the time being, but at the first sign of hostilities the human flow will start again — this time perhaps including Iraqis and expelled Palestinians (from the east or west). It would be tragic if the world was again unprepared.

For most of the evacuees, the flight from Kuwait and Iraq meant the loss of their livelihood and shattered their dreams of a better life. The decision to leave behind everything cannot have been taken lightly, fully aware as most of them were that their own countries have little to offer. For Europe, the longer-term effects of the crisis might involve a rise in fuel prices and a temporary downturn in economic activity. But with the already overstrained economies of those developing countries now having to reabsorb hundreds of thousands of workers who pre-

viously sent back significant sums in foreign exchange, the effects will be devastating.

Jordan, in particular, is suffering. In addition to the cut-off of free oil supplies and the needs of its own repatriated nationals (200,000 so far), Jordan also has to face the crippling effects of complying with UN sanctions against its most important trading partner. Viewed against this background, the apparent reluctance of richer countries to compensate Jordan for meeting the needs of 750,000 foreigners, largely from its own supplies, is hard to believe.

Pressure on Jordan has been partly relieved by the open-door policy adopted by Iran and Turkey, but come the next influx, no one should expect Jordan to be as open-handed as it was before. Nor should we be surprised if other countries conclude from the West's reluctance that a generous response to refugees in need will not be rewarded.

What all this underlines is how rare it is for the human costs of political strife to be properly considered. Both in the selling of advanced weapons, which makes

war possible, and in the decision to strike, the true concerns tend to be export orders and electoral popularity, rather than the ghastly effects on civilian populations. More often, those resorting to massive use of force (such as the Americans in Vietnam, the Russians in Afghanistan, the Israelis in Lebanon or the Iraqis in Kuwait) find that all the suffering caused yields little in the way of economic or strategic advantage.

What can be done? Certainly there could be improvements in the international system, some of which have been recently highlighted in an excellent report. The UN is well able to cope with refugees fleeing persecution, but to some extent it handles other mass exoduses as and when they occur.

This gap in the system should, I believe, be plugged by the appointment of a UN Special Representative for Humanitarian Affairs who would monitor all situations likely to produce sudden population movements, seek to depoliticise humanitarian crises and serve, if need be, as mediator.

Such a development would extend the UN's considerable experience of peace-keeping into humanitarian emergencies and help to prevent or contain future crises.

If there is to be any hope of a new international order, as both superpowers are rhetorically suggesting, it does not lie in governments passing yet more hot potatoes to the UN in the hope that they can be dealt with on an ad hoc basis. Far more worthwhile would be a set of concrete measures designed to capitalise on the improved international climate and to help contain the humanitarian dimension of crises such as that we currently face in the Gulf. Without such a step, the optimistic rhetoric will continue to bear little resemblance to the sad reality.

"A World in Need of Leadership: Tomorrow's United Nations, by Brian Urquhart and Erskine Childers, is published by the Ford Foundation and the Dag Hammarskjöld Foundation (September 1990).

Prince Sadruddin Aga Khan is the UN secretary-general's personal representative for humanitarian assistance in the Gulf crisis.

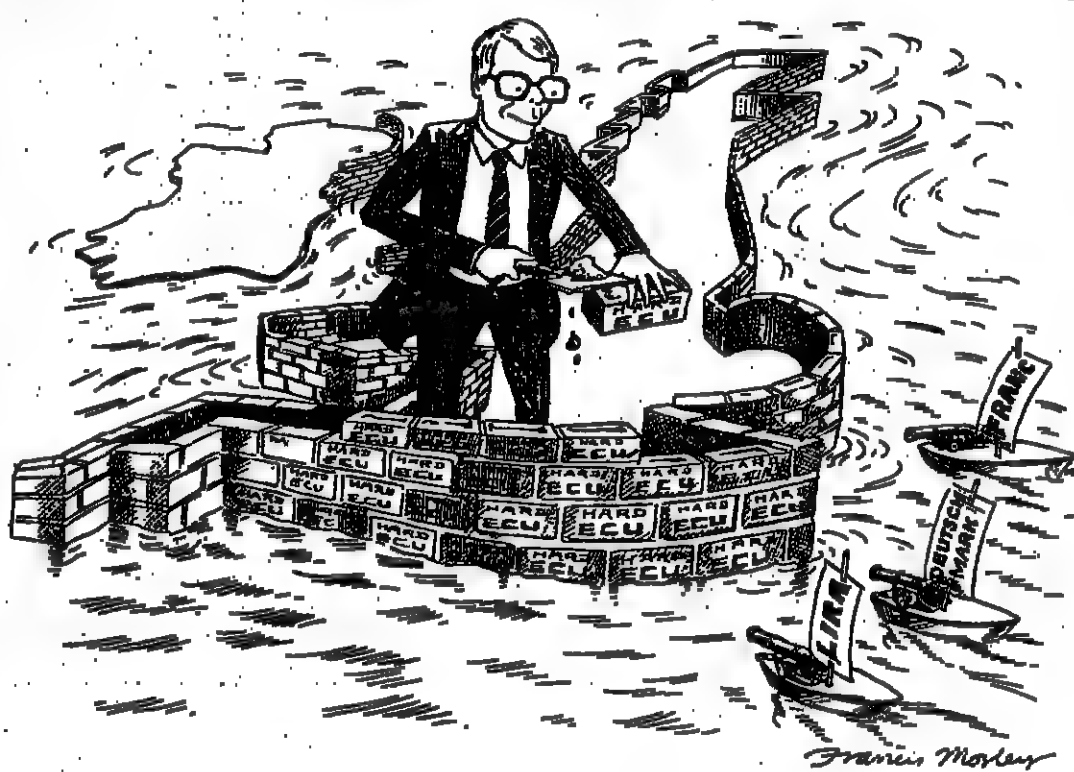
# No monetary union until Britain is able to compete

Despite the little local difficulty they caused in Westminster last month, Britain's problems with European monetary union were always open to a face-saving compromise. When John Major returns from his first European summit on Saturday, it is a safe bet that he will have won agreement on his two main objectives: to prevent a common European currency from being "imposed" on Britain, and to start some discussion about a new currency, the so-called hard ecu, which might one day circulate throughout Europe alongside the mark, the lira and the pound.

He will surely be victorious on both, because the hard ecu and "imposition" are both red herrings. Neither will have any bearing on the ultimate outcome of the EMU negotiations, which seems increasingly likely to be that intended by Jacques Delors: a full monetary and economic union, proceeding without any imposition as one group of countries after another decides that ceding full economic control to Europe is better than the alternative. And as long as this alternative is the present halfway house of the European exchange rate mechanism, the advocates of EMU will be right.

Monetary union would save European businessmen time and money and might encourage increased trade, travel and economic integration. More importantly, a single currency would mean uniform inflation and interest rates throughout Europe, presumably low ones if the road towards EMU is the one mapped out by the German Bundesbank.

But there are drawbacks too. The absence of separate currencies would mean that individual countries lose most of their power to influence economic conditions. Countries with high unemployment could not make themselves more competitive by currency devaluation. Regions where excessive borrowing or labour shortages were raising costs could not rein in demand with higher interest rates. Only taxes and public spending would be left in the macro-economic policy tool box, and then severely constrained: in full monetary union, governments cannot print money to pay their debts. They would therefore have to convince investors that they were willing to collect enough



Anatole Kaletsky, economics editor, sees even the ERM as a barrier hindering Europe's laggards

taxes from their citizens to remain credit-worthy.

The fundamental question about EMU, therefore, is whether the combination of efficiency and macroeconomic benefits, outweighs the cost of losing national economic control. One way of looking at this issue is to consider the only single currency area comparable to Europe in size, diversity and economic development — America.

As an example of what economists call an optimal currency area, America has several obvious advantages over Europe. It has a common language, people who readily migrate from state to state in search of work, a superior transport and communications infrastructure. Despite all these advantages, America still pays a price for being a monetary union.

Texas, for instance, might well have done better in the 1980s if it had had a separate currency. Like sterling and other petrocurrencies, this could have been revalued in the late 1970s to dampen the

inflationary effects of the oil boom, and then devalued to prevent the regional economic collapse of the mid-1980s. Instead, Texas experienced a property bubble and mass immigration in the 1980s followed by an economic depression. One indirect result was the collapse of the state's housing finance business, which is now costing American taxpayers well over £100 billion to sort out.

The Texas boom and bust provides a classic example of the best-known drawback of monetary union, that it stops countries responding to localised shocks. But it also points to two crucial conditions for a successful monetary union which have received surprisingly little attention in the EMU debate.

First, if it is to work, monetary union may have to be supplemented by a pan-European tax and public spending policy. There has been much inconclusive debate in Brussels about whether EMU will require European countries to accept constitutional

amendments similar to the American states' balanced budget rules. But the real reason why EMU may lead to fiscal federalism is quite different. Whenever a US state economy is hit by regional recession, its federal taxes fall, while it benefits from greater public spending from Washington. Because America's taxes are overwhelmingly collected at the federal, rather than state, level, the fiscal system provides an automatic boost for flagging state economies, without the need for regional policies or demand management at state level. In Europe such automatic stabilisers do not exist, and to create them would require substantial transfers of fiscal power to Brussels.

America's other overlooked advantage is even more fundamental. Quite simply, it has been a monetary union for more than 100 years. As a result, the regional economies have long since adjusted to the fixed exchange rates effectively established at the time of the Civil War, though not without decades of

hardship in the case of the southern states. The same adjustment would eventually occur in Europe, regardless of when and how EMU began. The trouble is that weaker European countries might suffer as badly as the American south if they joined EMU at the wrong time or the wrong exchange rate.

The greatest danger of EMU, in fact, is not that it might prevent countries adjusting to shocks in the future, but that it will deliver a devastating blow to some of the weaker economies at the very start and then lock them into a long period of uncompetitiveness.

This seems precisely what has already happened to Spain, Ireland and southern Italy because of their membership of the ERM. Far from promoting convergence towards economic equilibrium, the ERM has made these countries steadily less competitive by locking their exchange rates to the Deutschmark before their inflation rates had been reduced to German levels. If these countries joined a permanent monetary union in their present state they would face years of very slow economic growth.

If EMU is to happen, it will have to start off with a core group of countries in balance-of-payments equilibrium with comparable levels of unemployment and inflation. Exchange rates should be fixed only after convergence is completed, not as a way of bringing convergence about. This is the position that Germany, the Benelux countries and France are increasingly taking.

But where does that leave the more inflationary economies such as Britain, Italy and Spain? At present they are behaving as if they are already in a monetary union by sticking to arbitrary exchange rates fixed by the ERM. Even in response to the clearest possible case of a one-off local shock, German reunification, they are resisting any currency realignments. Effectively, they are accepting all of the costs of monetary union, without most of the benefits. The longer they go on fixing their currencies against the mark, the more uncompetitive their economies become.

At some point Britain, Italy and Spain will have to break out of the present structure of the ERM, whether or not their ultimate aim is monetary union.

## Thatcher aide open to offers

Charles Powell, the last of Mrs Thatcher's staff supporting her still at Downing Street, is preparing to bow out after seven years as the prime minister's personal secretary and unofficial foreign policy adviser. Although he will accompany John Major to the Rome summit this week, it will be his final foray into European politics as a member of the Downing Street team.

Powell formed a powerful double act with Bernard Ingham, press secretary, which backed his official status as number two to the PM's principal private secretary, Andrew Turnbull. With Ingham he was one of the two most influential members of the Thatcher kitchen cabinet and was at Mrs Thatcher's side at all her international summits since 1983. Speculation about his future has consequently been intense.

Although he has a good relationship with Major, Powell has told friends that he has no intention of outstaying his welcome. Privately he is resigned to the fact that his influence is on the wane, particularly with the new emphasis on collective government, and has indicated to close friends that he intends to do something new. One highly placed source says: "He is not sure how long he is staying at Downing Street but he expects to go within a couple of months."

But Powell could remain close to foreign affairs, for friends say he has not ruled out the possibility of an ambassadorship. South Africa

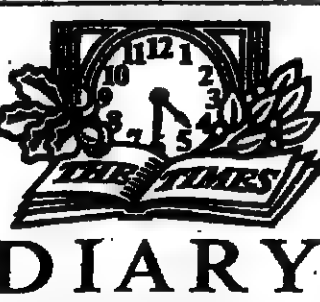
has been mooted when Sir Robin Renwick succeeds Sir Antony Acland in Washington in March. Rumours of a £250,000 post with Morgan Grenfell, the merchant bank, are described as wishful thinking. Given the speed of political change, some suggest that his market value as the close confidant of an ex-prime minister is such that he would be lucky to command half that.

● In England, as the Victorian judge Sir James Mathew declared, "justice is open to all, like the Ritz". Taking its egalitarian cue from his lordship, the Labour party lists the telephone number of the Ritz in its 1991 diary, alongside those other well-known socialising-holes, Claridges and Langham's Brasserie.

Uncommunicative

That venerable organ of vestry and vicarage, *Church Times*, has declared UDL. Traditionally the editor of the paper commands a seat on the Church of England's communications committee (currently chaired by the Rt Rev John Taylor, Bishop of St Albans), which advises the church on its media and public relations. On his appointment last year, however, the editor, John Whale, initiated an unexpected departure from the tradition, so that when George Carey turns to his media experts after his enthronement as Archbishop of Canterbury next year, he will have to do without Whale's wise counsels.

Whale has decided not to be part of the new committee due to be formed in February on the principle that *Church Times* is "not part of the Church of England. We



are independent, writing about the church and Anglicanism in general. I believe it would be inappropriate for me to sit on the committee."

The decision lends further weight to suggestions that the new archbishop will quietly sideline the committee and become the first church leader in Britain to employ a professional public relations agency. Several are known to have made informal approaches, but no decision will be taken until after the new archbishop takes up his post in April.

Rhys resurrected

More than a decade after her death, an unauthorised biography of the author Jean Rhys, best known for *Wide Sargasso Sea*, has led to a dispute between her family and Francis Wyndham, Rhys's friend and literary executor.

In her will, Rhys insisted that no biography be written after her death without my express permission being given during my lifetime. That wish, says Rhys's granddaughter, Ellen Moorman, has been disregarded by author

Carole Angier, with Wyndham doing nothing to prevent it. "My grandmother believed her private life was nobody's business," says Moorman. "She was obsessed with privacy. I know she would be furious about this book. My mother and I objected to it but we were ignored."

Wyndham says: "I'm not going to pretend that I tried to stop publication — I didn't. I suppose I could have withdrawn permission to quote from Jean's work, and part of me wishes I had respected her wish. But the greater part of me felt it would be wrong to stop such an excellent book."

The family, however, refuses to be placated. "Although it is not an unfriendly book it should not have been written," says Ellen Moorman. "We considered taking legal action, but unfortunately a dead person has no rights."

Mission control

Are the parties to the Intermediate Nuclear Forces treaty taking the verification process as seriously as they should? Definitely not, says Major Julian Lawrie of the Scots Guards, one of the two officers appointed by the Ministry of Defence earlier this year to supervise the verification procedure.

Shortly after his appointment, Lawrie was assigned to escort a 30-strong Soviet team sent to Britain to inspect American cruise missiles at Greenham Common. "The inspection itself played rather a minor part," Lawrie writes in *Guards magazine*. "The inspectors were much more interested in going to London and shopping." As a good host, Lawrie abandoned

the American interpreter who was to explain the technicalities of cruise to the visitors and took them sight-seeing instead. But he was able to demonstrate to the Russians the efficiency of British military planning. They wanted to fit a visit to a typical country pub into a tight schedule. Lawrie chose the pub, radioed



ahead — and the visitors stepped from their coach to 40 pints of beer set up on the counter.

Of the lack of interest in cruise, Lawrie philosophically observes: "After all, one missile looks very much like another."

● Cheltenham Tories have become so race-sensitive after the selection of John Taylor as prospective parliamentary candidate that some — sounding more like Labour councillors in a loony-loft London borough — are suggesting that a different band be engaged for their Twelfth Night ball. The name of the one at present lined up? After Dark.





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## APPRAISAL ON THE CHEAP

Kenneth Clarke has been characteristically robust in his first switch of policy as education secretary. Brushing aside his predecessor's decision to back away from compulsory appraisal for teachers, he is introducing a system for which he makes the highest claims. It will be simple but effective. It will be popular with teachers and parents. It can be done for nearly nothing. Mr Clarke's pitch is that of a salesman who has suddenly discovered that a rival concern — in this case, the Labour party — has launched a competing product, and with an election no more than 18 months away, that comes as no surprise. But parents and teachers alike will want to know whether the product is any good.

In principle, there is a strong demand for it. Parents have a right to know that their children's teachers are being monitored, their weaknesses spotted and their strengths developed as a matter of course. Teachers should benefit from the sort of scrutiny and career development that is now commonplace in the commercial world.

The supply to meet that demand was never going to be delivered by the voluntary scheme favoured by John MacGregor. The dead hand of educational and professional conservatism fell upon it. Though the teaching unions were coming round to the notion, some education authorities were not intending to introduce appraisal at all in the next two years. Others were to assess teachers who volunteered only.

The decision to go for compulsion deals with that problem. Teachers and their unions should have no fear of it. Indeed, some of the education secretary's colleagues on the back benches may feel that he has leaned too far backwards to curry the teachers' favour. Why, they will ask, should individual appraisals be kept from the governors, who bear the ultimate responsibility for the good running of the schools? Why not make the link with pay and

discipline explicit? These are powerful arguments, and in due course, the education secretary will have to address them. But the scheme must first get off the ground. A degree of compromise is justified so teachers do not approach it in a spirit of defensive defiance. Appraisal, as Clarke conceives it, is primarily a tool to improve the performance of the average teacher, not as a means of providing incentives for the best or punishment for the worst. Getting rid of bad teachers is a job for existing disciplinary procedures. Rewarding good teachers should be dealt with through the pay-fixing machinery. Appraisal is aimed at getting more out of the majority of teachers in the middle.

In principle, therefore, Mr Clarke's proposal strikes the right balance. The doubts concern the practical arrangements. The government developed a bad habit in Mrs Thatcher's years. Local authorities were forever being saddled with new responsibilities, while being denied the resources necessary to fulfil them. Mr Clarke has fallen into the old trap; £9 million was needed for a voluntary scheme; £40 million was estimated by the government's advisers as the likely cost of a compulsory one. Yet Mr Clarke is providing only £10 million.

He hopes that the simplified system he has introduced, featuring out-of-hours training and a workload concentrated on senior teachers with fewer classroom commitments, can prove as effective as the more expensive alternatives on offer. But consumers know that what is bought cheap often turns out to be shoddy. That is only too likely to be the case with Mr Clarke's reforms.

He needs to think again, and if necessary, argue again with the Treasury about the resources to be devoted to the scheme. Neither parents nor teachers will thank him if his much-vaunted reform goes off at half-cock.

## WALESA CLAIMS HIS CROWN

Long before he received three quarters of the votes cast at Sunday's presidential run-off in Poland, Lech Walesa had considered the office rightfully his. He had created and led the greatest popular movement in the history of resistance to state communism, and done so for nearly a decade before Solidarity entered government in August 1989. For a year or more, Mr Walesa persuaded himself that he did not want the job. Only when the bleakness of Poland's prospects gave rise to panic did he decide to submit himself to the democratic test. At that point, the election from Gdansk nearly came unstuck. In view of the manner of his victory he would be wise even now not to take the confidence of the Polish nation too much for granted.

Mr Walesa saw President Jaruzelski's acceptance of a coalition government of communists, independent "experts" and Solidarity activists under Tadeusz Mazowiecki as no more than a partial abdication of power. While an economic "miracle" remained elusive, the communist bureaucrats either stayed in office or were supplanted by similarly unpopular placemen of Solidarity. Disillusionment with the government grew. Mr Walesa decided that the reputation of democracy itself was at stake.

Thus Lech Walesa threw his influence behind the clamour for a far more radical break with the past, while holding more or less to the deflationary economic course set by the finance minister, Leszek Balcerowicz. That was the Walesa ticket. It was calculated to appeal to the sense of injustice and wounded pride which most Poles still nurse whenever they think of the wasted communist epoch.

Having sensed that the seismic political shift across central Europe which began with the 1989 revolutions had not yet ended, Mr Walesa placed himself to the right of the predominantly social democratic ruling group in Warsaw. The latter nominated the prime minister, Mr Mazowiecki, as their candidate. This election offered Poles their first chance to express a preference between two wings of the democratic spectrum, even though neither candidate had a true party behind him. Shortly before the first round, however, a "third force"

emerged in the shape of Stanislaw Tyminski. A Canadian tycoon of uncertain provenance, Mr Tyminski outflanked Mr Walesa by promising the earth to the dispossessed. A statist libertarian and expatriate patriot, Mr Tyminski became the idol of everyone who felt let down by Solidarity.

It was then that Mr Walesa's fabled political nous failed him, perhaps for the first time since he was surprised by the imposition of martial law in 1981. Confident that he alone spoke for the common man, Mr Walesa first tried to ignore the would-be usurper, then sought to woo back the hordes of Tyminski supporters by outdoing him in blackguarding the government and its media "intellectuals". Strung by this, Mr Mazowiecki's supporters accused Mr Walesa of dictatorial ambitions and of stooping to anti-Semitism. Mr Tyminski overtook Mr Mazowiecki in the first round.

Round two was scarcely more edifying. Mr Walesa crushed his rival with an *ad hominem* campaign of sustained ferocity — at a price. Though the insults Mr Walesa hurled at Mr Tyminski were more credible than the other way about, the campaign served only to deprive the new democracy of most of its remaining dignity. Nearly half the electorate stayed at home on Sunday, failing to participate despite 50 years of exclusion from democracy.

Now Mr Walesa has a chance to redeem himself. Abstentions notwithstanding, he can claim support from all classes, from all age groups, from Warsaw as well as the countryside. A mandate that broad may never exist again, as politics in Poland becomes further polarised in the run-up to free parliamentary elections next spring.

Mr Walesa has discovered the limits of his popularity. He would be unwise to seek to extend his powers before he and the new parliament ratify a democratic Polish constitution next May. This elected president should have no need to copy the military men on horseback from Poland's past. As the only thoroughbred in the Polish political stable, Mr Walesa deserved to win. As he celebrates, let him not forget that the Polish people remain in the saddle, not the other way round.

## AN ELECTRIFYING OFFER

The electricity privatisation was deemed "an outstanding success" yesterday by energy secretary John Wakeham. In what way? Though the issue was ten times oversubscribed, only one in ten of the people who used to "own" the electricity industry will now do so. Most of the latter will either sell their shares and pocket the profit immediately, or simply stuff the certificates under their mattresses with no thought of risk, entrepreneurship or small people's capitalism.

Mr Wakeham declared portentously that "the continued overwhelming public interest in participating in privatisation shows the public's support for the regional electricity companies and for privatisation." This is genteel rot. The public cares not a fig for the regional electricity companies and not much for privatisation. Most polls show, if anything, that people think too many industries are being sold off. Had Mr Wakeham decided to sell his aunt's doorknob factory in the same way — with a label round its chimney marked "money for free" — he would doubtless have been met with the same interest, not in doorknobs, nor in the transfer of ownership, but in the guarantee of a Christmas present from the government.

Conservatives approve of widening share-ownership, partly for the warm feeling it is supposed to induce of capitalism and individualism and a personal stake in the nation's infrastructure, partly because they hope that shareowners, like homeowners, will be more likely to vote Tory. With 11 million shareholders, that makes some 17,000 per constituency if evenly spread.

This is a misconception of what these privatisations have involved. They are another rather expensive way of selling gilt-edged securities to people who normally buy savings

certificates. Such buyers are rarely tempted to buy and sell other shares. Around 60 per cent of the new shareowners hold shares in only one company, and a mere 10 per cent hold shares in four or more. Only 14 per cent hold shares that they bought through the stock market. That institution, and the concepts of risk and reward, remain a mystery to the rest. When Mori interviewed people who first bought shares in British Telecom, it found that 80 per cent thought that in buying their shares they were incurring a low risk or none at all. Over half thought their investment less risky or no more risky than keeping money in a building society.

Moreover, of this sample, only 14 per cent intended to vote Labour, with 53 per cent supporting the Tories, and 31 per cent, the then SDP-Liberal Alliance. It seems that the Conservative government is selling shares mainly to the converted. The British Social Attitudes survey found that shareholders do indeed tend to be more individualist, regardless of their class. Mori sampling shows that 90 per cent of people who own privatised shares also own their own homes, compared with 66 per cent of the total population. The go-getters will always go and get, given half a chance.

What the government gives them is a whole chance. Only once, when the stock market crashed just as the government was selling off its BP stake, have widely-marketed privatisations offered anything less than easy money to anyone who can be bothered to fill in a coupon, write a cheque and find a pin. Ministers want Britons to become risk-takers, yet the less risk is involved in a privatisation, the more successful it is deemed to be. This has nothing to do with people's capitalism, only with "the way they price 'em".

## Finding ways to resolve the stalemate over Gatt

From Mrs Ann Clwyd, MP for Cynon Valley (Labour)

Sir, Whatever the final outcome of the Gatt negotiations, now that they have been deferred (report, December 8), developing countries look set to lose out because their views have been ignored by the EC and US.

If Gatt collapses and the CAP (common agricultural policy) thrives, cheap food dumped on developing countries will carry on putting small farmers out of business. A Gatt agreement to cut farm subsidies in the North would give an enormous boost in the long term to food-producers in the Third World. But in return the North is demanding drastic sacrifices by developing countries.

Liberalisation of agricultural markets in developing countries would spell disaster for millions of poor farming families. In the EC and US farm subsidies create surpluses, but for the rural poor of the Third World they make the difference between growing enough to eat and to earn a living or going hungry. The poor have no alternative to working the land and, however cheap imported food, many could never afford to buy it.

In Africa 100 million people are undernourished, and 10 million now face famine. Clearly it is vital that governments promote food production and food security and special allowance should be made for this in Gatt rules.

The British government promised to consider the environmental effects of trade agreements at the Bergen conference earlier this year, but it hasn't given them a thought. Gatt proposals would severely limit Third World governments' ability to regulate foreign companies involved in logging, dumping toxic waste, or mining. Legislation to protect scarce resources, such as the bans on export of unprocessed tropical timber in Indonesia and the Philippines, would have to be repealed because they affect trade.

Developing countries are not in a position to challenge Gatt rules.

### Poll tax review

From Mr Andrew Turner

Sir, By "reviewing" the community charge the government implicitly accepts the blame (or credit) for anything that follows — yet, without significant policy changes, the initiative in setting high charges will remain with local councils.

The public's principal concern is the level of the charge. No matter how much external finance reaches a local council, it will — with one or two exceptions — be charged what it can get away with. The government has no power to ensure even that the £3,000 billion extra for 1990-1 will relieve the chargepayer.

Even the total removal of education spending from council budgets would in some authorities merely allow receipts from the same level of charge to be spent elsewhere, while longer-term arguments would take place about the proper level of spending which the government should support.

We now know that the government has no power to limit the level of the charge — only the total a council spends. That anomaly should be rectified without delay. The 1990-1 charges should have been universally capped to hold spending at 1989-90 levels plus inflation: in fact local government spending massively increased over that period.

But information is the lubricant of democracy — even now the government could publish clearer figures showing, for each au-

The punishment is severe trade retaliation by the North, something that developing countries, desperate for foreign exchange to pay debts and buy imports, cannot risk.

It is up to the negotiators from all countries to ensure that whatever they finally agree does not stifle development or environmental protection.

Yours sincerely,  
ANN CLWYD (Shadow minister for overseas development),  
House of Commons,  
December 8.

From Professor Emeritus D. K. Brierton

Sir, The refreshing realism of Michael Hornsby's article (December 5) on agricultural subsidies should be welcomed. The present deplorable impasse in the Gatt negotiations would never have been reached if the plain message that "trying to keep all small farmers in business is unrealistic" and that "ultimately incomes can be sustained only by reducing the number of farmers" had penetrated the thinking of those who shape European agricultural policy.

The arithmetic is not complicated, though it may be brutal, even for Britain with its favourable farm-size structure. Farms were an average asking for a minimum of £9,360 a year (report, December 4). If a family farming today requires a minimum income of, say, £12,000 — that is, the amount left after paying all their bills for farm purchases, wages, rent and interest — they will have to achieve receipts from sales of about £75,000. On a farm of 40 hectares (100 acres) this means £1,900 a hectare; but the national average on all UK farms is about £1,000 a hectare, even if we leave all the "rough grazings" out of account.

So if the smaller farmers are to survive, most of them will have to intensify production (thereby aggravating the downward pressure of supplies on market prices),

or else attain a level of economy in the use of resources far above anything they have known.

Some may escape from this trap by enlarging their boundaries, but this, though responding to the realities of the situation, can only be done at the expense of their neighbours, thus defeating the supposed aim of "keeping all small farmers in business".

The other way of escape is to increase income from non-farming sources. There are signs that farmers and governments, each in their own way, are moving in that direction; but the price of their unreadiness has been incalculable. Yours faithfully,  
DENIS BRITTON,  
29 Chequers Park,  
Wye, Ashford, Kent.

From Mr M. S. Living  
Sir, When discussing the very real possibility that the current round of Gatt talks will finally end in failure when they reconvene in January, it is well to look at who within the EC would actually benefit (in the short term) from such a failure and the trade war which would follow. It is perhaps not surprising that the main beneficiaries would be France and Germany, whose "obscurant" is being blamed for failure to agree.

A trade war would enable Germany and, to a lesser extent, France to establish themselves in an unassailable position of industrial dominance within the EC, freed as they would be from the competition of America and Japan. This dominance would be further assisted by cutting off British and Dutch industry from their inter-continental markets.

In considering the potential advantages which would flow to the Germans in particular in the event of a trade war, the obscurity that they are showing in protecting their farmers becomes much more understandable. Yours faithfully,  
M. S. LIVING,  
30 Kempford Gardens, SW5,  
December 10.

From Sir Geoffrey Jellicoe  
Sir, As landscape consultant to the City of London in the mid 1970s I encouraged the construction of a cut-and-fill tunnel, about 480 yards long, under Epping Forest.

This plan was adopted by the ministry and the extra cost has long been swallowed. I see no reason why there should not be a similar treatment for Twyford Down, with central pillars, at a vastly lesser cost than the averaging estimate. This cost would soon be swallowed, but the mangled body would be there for ever. What is proposed would be like a surgeon's cut across the flow of the arteries.

Yours faithfully,  
GEOFFREY JELICOE,  
14 Highpoint,  
North Hill,  
Highgate, N6,  
December 1.

From Mr Tim Miller and Mr Anthony Barnett  
Sir, The open society that the prime minister calls for is extremely unlikely if not impossible without constitutional changes. Thus Mary Ann Sieghart's article ("Is that liberty's light ahead?", November 29) which argues that John Major should put aside his predecessor's "liberalism" is especially welcome.

We support her suggestions for much less secrecy, for the equivalent of a British Bill of Rights, for independence for local government, for replacing the House of Lords with a democratic chamber and for electoral reform. In effect, these would add up to a new constitution, along the lines called for by Charter 88's supporters.

John Major himself, speaking this week at his official endorsement as leader of his party, says that constitutional evolution is part of the Tory credo. So far, however, few Conservatives have joined us in working towards a new constitutional structure. Perhaps your readers could help explain this increasingly out-of-date reticence.

Yours sincerely,  
TIM MILLER  
(Chair of the Executive),  
ANTHONY BARNETT  
(Coordinator),  
Charter 88,  
Panther House,  
38 Mount Pleasant, WC1,  
December 6.

From Mrs D. R. Millard  
Sir, Ambridge has not always existed in a sort of never-never land, untouched by current events and everyday affairs. On October 16, 1964, the day that Harold Wilson was first elected as prime minister, I was in *The Archers* studio with Godfrey Baseley, the initiator of the series and its editor for many years. When the news of Wilson's victory was 'phoned through from London, between 5.30 and 6 pm, Godfrey re-wrote the script for that eve-

ning's episode, so that Phil and Jill could discuss it over their pre-dinner sherry shortly after 7 pm. On May 31, 1965, HM the Queen entertained 6,000 of her fellow WI members to a garden party at Buckingham Palace to mark their golden jubilee. One of my jobs was to go to the Palace press room and telephone through to Birmingham to let the *Archers* know what the Queen and the other royal ladies were wearing, what was to the sandwiches, etc., and what the weather was like (it was bitterly cold). As a result, when Dan picked Doris up from the Palace, she was able to tell him all about it as they drove home to Ambridge, and the whole world could be told at 7.05 that evening, within a few hours of the event.

Yours sincerely,  
MOLLY MILLARD  
(PRO, National Federation of Women's Institutes, 1960-70),  
Mill Ford House,  
Hall Street, Long Melford,  
Sudbury, Suffolk,  
December 4.

## Warm tribute after cold night

From Mr John Lloyd

Sir, I was one of thousands of motorists stranded on the M6 during the blizzard last Saturday, trapped for almost eight hours on the Birmingham elevated section of the M6. I constantly listened to the traffic news on West Midlands radio to hear the worsening road reports. Early in the evening I heard the offer of shelter by the National Exhibition Centre for all those motorists who could get there. This offer was the one piece of good news amidst all the bad.

I eventually got to the NEC at about 10.30 pm, tired and exhausted, to be given free food and drink and a warm place to sleep for the night. For this I was very grateful, so I am sure, were the other 1,000 or so motorists who managed to reach the NEC.

The NEC management and staff reacted promptly and efficiently and by their kindness saved many from a cold night in their cars. Thank you.

Yours sincerely,  
J. LLOYD,  
48 Bury Road,  
Old Harlow, Essex,  
December 9.

From Mr Hugh Lowe  
Sir, Can our environmentalists confirm that the apparent severe reduction of numbers in yet another species — the council grunting lorry — has been caused by global warming?

Yours faithfully,  
HUGH LOWE,  
Barons Place, Mereworth,  
Nr Maidstone, Kent,  
December 9.

From Professor Geoffrey Lee Williams  
Sir, Now that we have a prime minister, with an open mind, I would respectfully suggest that Mr Major turns his attention to the Single European Act which, inter alia, under article 30, refers to the need for a defence-industrial policy at the European level. There are now three reasons for him to put this matter on the agenda.

First, the increasing unlikelihood that the German government will procure the European fighter aircraft, even though they are funding the R&D for the project (report, November 27), in effect puts in doubt the future of this multi-national project, in which Britain has a 33 per cent share. The potential loss of a sophisticated new aircraft for Nato has serious strategic implications for the future.

Secondly, the expected job losses at British Aerospace arising from the cancellation of 30-plus Tornado fighter aircraft — with further job losses to follow — highlights the Kleiawort Benson securities report about the bleak prospects for the defence-related industries in the UK (report, November 30).

Thirdly, at the European level, the takeover of MBB (Messerschmitt-Bölkow-Blom) by Daimler-Benz in Germany, together with the emergence of Sextant Avionique in France, a joint subsidiary arising from the merger between Aerospatiale and Thomson-CSF, has created Europe's largest defence avionics supplier. This raises critical questions concerning the future structure of European defence industries.

Does the cabinet have the will to play a really constructive part in hammering out a European defence industrial policy with its European partners? Yours sincerely,  
GEOFFREY LEE WILLIAMS,  
Institute of Political and Economic Studies,  
18 Warwick Street, Cambridge.

From the Director of Age Concern England  
Sir, Mr Bryan Cassidy, MEP, rightly raises the point (November 28) that age discrimination in employment is not just a British problem. Although legislation exists in France to ban age limits in recruitment advertising and to encourage the employment of older workers, the problem is still endemic in the rest of the EC. It is detrimental to the British and surely other economies as well as distressing and unjust to the individual.

The campaign to ban ageism in recruitment, launched on November 21 by the Alliance Against Ageism, is directed equally at the public, private and voluntary sectors, and indeed at the media which frequently carries and therefore perpetuates the scourge. Age Concern is also involved in a campaign at a European level through Eurolink-Age on this issue. We hope that the European Parliament will decide to take up and act upon this issue.

Yours faithfully,  
SALLY GREENGROSS,  
Director,  
Age Concern England,  
Astral House,  
1268 London Road, SW16,  
December 4.

From Mr Jim Rouse  
Sir, You quote Mr Roy Hattersley as saying "Britain must be in the fast lane and on the high ground" (report, December 4). Does he intend to see that Britain goes downhill very fast?

Yours faithfully,  
JIM ROUSE,  
104 Overstone Road,  
Syeall, Northampton.

From Mr Robin Rhoderick-Jones  
Sir, Dennis Marshall-Hasdell (December 1) may be right to envy Ambridge its isolation from last month's political upheaval; but he can hardly describe the village as "a tranquil haven".

Shula is sinking into a deep depression as a result of losing her baby and until recently was in grave danger of being dropped, at least spiritually, by her husband. Jill and Kenia are distraught. Jean-Paul (the finest chef in Borserville) has caused almost terminal anguish to his erstwhile employer by transferring his loyalties to the silly Nelson and his wine bar.

The Royal Air Force has wrought pre-Christmas havoc among Clint and the rest of Joe and Eddie's turkey; and Peggy's forthcoming marriage to Jack Woolley, although to be performed by the notable Cyril Bishop of Felpham, has caused a deep schism among her anyway impossible children.

Is it any wonder that they haven't found time to take even a passing interest in the sacking of a mere prime minister? Yours, almost despairingly,  
ROBIN RHODERICK-JONES,  
Sheldons Court,  
Sheldons, Honiton, Devon,  
December 2.

From Mrs D. R. Millard  
Sir, Ambridge has not always existed in a sort of never-never land, untouched by current events and everyday affairs. On October 16, 1964, the day that Harold Wilson was first elected as prime minister, I was in *The Archers* studio with Godfrey Baseley, the initiator of the series and its editor for many years. When the news of Wilson's victory was 'phoned through from London, between 5.30 and 6 pm, Godfrey re-wrote the script for that eve-

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## Major's defence tasks

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# Black beauty on all the rails

Designers, high street shops and partygoers are betting on the little black dress again this season. Liz Smith picks a handful of winners

Every dress you design in red, pink or blue always ends up looking better in black, according to Bruce Oldfield. There speaks a designer capable of creating some of the friskiest frocks in the business, worn by such unshrinking violets as Joan Collins and Marie Helvin, and now he admits what we suspected all along.

The little black dress is chic. Women look good in it. Designers lavish their best talents on creating it. And if the Christmas windows in every high street are anything to go by, retailers this season are banking on it.

Coco Chanel launched the little black dress on its lengthy social life in the Thirties, when she lay back on her chaise longue for Cecil Beaton's celebrated portrait of her in simple black and a ton of fake jewels and pearls. But it was Audrey Hepburn as Holly Golightly in *Breakfast at Tiffany's*, in a cutaway black dress, who taught every woman on a tight budget how to dress up to look chic.

Even in a year when bright colour is in fashion the little black dress — known as the LBD by the dedicated partygoer, who usually has several of them in her wardrobe — is not missing out on the fun. The Queen's party at Buckingham Palace tomorrow night is probably the only event at which it will not be seen this season; the royal guests are delving into their wardrobes — and wallets — to get more dressed up for this one.

The designer David Sassoon never gets tired of creating the short black dress. This winter his variations include a strapless velvet dress with gold embroidery on the bust, a wrapover black crepe dress with jet beaded fringing shimmering around the asymmetric hem, and an off-the-shoulder short number in black tulle with sequined sleeves (expect to pay from £400 to £800 at Bellville Sassoon). "Black is never boring, though I love colour," he says.

Marc Bohan, the former couturier at Christian Dior in Paris and now at Hartnell in London, loves creating the little black dress. "There are so many ways to make it fun, first with the fabric, and then the cut," he says. The simplicity of the perfect short black dress with, say, one diagonal shoulder-strap is achieved only in an haute couture atelier, he believes. "There is no chance to make a mistake when a woman wears a little black dress, but too many around the dinner table does not make it look very amusing."

Bruce Oldfield conjures up his perfect little black dress. "It skims the curves without being daring in to fit, has a plain round neck and long tight sleeves. You

zip it closed, dress it up and go to town. It's the oldest fashion cliché in the business," he says. "Whenever I say to myself this is too simple, I imagine a body inside it and know it looks right."

That middle letter is never understood to stand for boring when Murray Arbed dreams up his LBD. "The most important things must happen above the table," he says, describing the deep Medici décolletage he has sliced into a slim, short, black velvet dress in his Pimlico shop this winter. "It is all about subtle shading and texture. Customers try on the bright colours first, but they end up buying in black."

Yves Saint Laurent is the designer who first reinvented a man's satin-lapelled tuxedo as a little black dress. The variations that he succeeds in creating on this classic design (24 totted up in just one recent couture show) have become a set piece that never fails to inspire fashion followers, and invariably draws the loudest applause in the show. He is also the master at draping silk satin into the most sensuous of little black dresses.

True simplicity usually demands quality cloth cut to perfection to be carried off with chic. This season the high street retailers and store chains seem to have tracked down some good-looking bargains priced at under £50. Confident they are on to a long-running seller when they invest in a black, store buyers can afford to be adventurous in styling. The choice is wide. Strapless numbers with jet tassel fringing sell at Miss Selfridge for £49.99. Also at Miss Selfridge, a satin-backed crepe fitted slip dress, the back a criss-cross of satin ribbon, costs just £29.99. Next Directory's dead plain, round-necked crepe shift dress is £59.99.

Jaeger's little black dress in black crepe with drop waist, round neck and long slim sleeves (£169) is distinguished by a very Chanel-like touch, a row of black satin bows down the front. All it needs is a white gardenia pinned to the top bow, a few strands of pearls, and a whiff of Chanel No 5, of course, to achieve a very classy look.

In selected Debenhams stores a black velvet double-breasted dress with off-the-shoulder shawl collar sells for £39.99 (see photograph). Velvety little slips with metal studs hang in Hennes at £44.99. Monica Zipper supplies halter-necked dresses in shiny velvet under her Monix label for £49.99. And stretchy Lycra slip dresses and shimmering little sheaths in black lamé and sequins are available almost everywhere, at a price that should leave money to spare for a pair of giant rhinestone carlamps.



Cheap chic in *Breakfast at Tiffany's*

**'Audrey Hepburn taught every woman on a tight budget how to dress up to look chic'**



Black looks: all dressed up in the quintessential LBD, as sold by Debenhams for just £39.99

## Good for no more than a giggle?

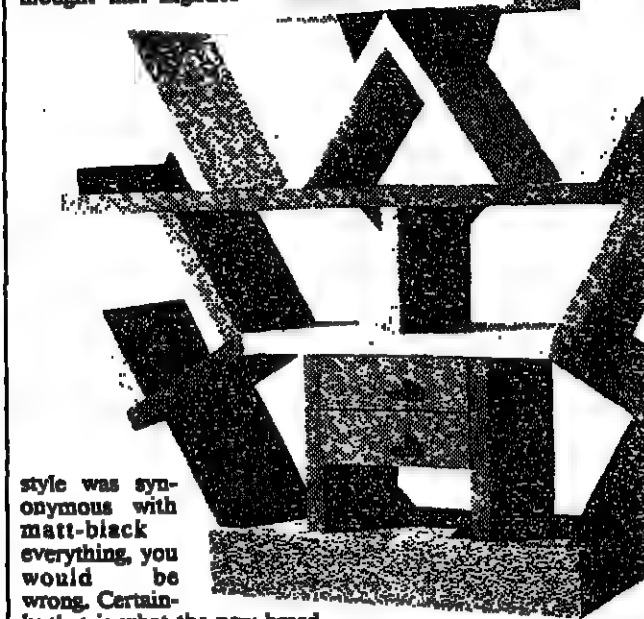
Designers went back to the nursery in the Eighties. Is it time they grew up?

THE Eighties are over. By consensus the formal end came on November 22 with the resignation of Margaret Thatcher, in the same week as the publication of *80s Style* — a celebration of the furniture and cult objects coveted by those Eighties people who became known as yuppies and carried designer notebooks called Filofaxes.

The startling fact that emerges from this colourful and — one hopes — none-too-serious gathering of the work of the most admired international designers is that, while those at the business end of the "decade of greed" buckled down to earning serious money, most of those who created lustre-artefacts to furnish their thriving lifestyle appear to have reverted to a second childhood. If you thought that Eighties

true future classics emerge: Michele de Lucchi's First chair for Memphis and Norman Foster's splendid drawing and dining tables are outstanding, as are Shiro Kuramata's curvaceous chests of drawers, and side chairs by the 19th priest of post-modernism, Charles Jencks. Honourable mentions, too, to Ron Arad, Richard Sapper and Philippe Starck.

Such, however, are the exceptions. The bulk of designers have cared nothing for the political or socio-economic trends of the Eighties, remain-



style was synonymous with matt-black everything, you would be wrong. Certainly that is what the new breed favoured — the Corbusier chaise, the Braun shaver and the Mackintosh ladderback, with the jet black Porsche lurking moodily outside — but they were antiques.

The design ethos of the decade was kicked off by Ettore Sottsass, the founder and guiding light of the Milan-based Memphis furniture group, who wrote the po-faced foreword to this otherwise entertaining book. His early pieces — such as the room divider with angled shelves covered in iridescent and mismatching Formica laminates — were startling and genuinely amusing. Many were uncertain whether to buy or laugh; most laughed, but if it was a joke it was a good one.

However, this gag has been trotted out for more than a decade, and the language of post-modernism and the grammar of allusion overused to the point of tedium.

Not that anything in *80s Style* could be described as dull, colour, and a high degree of finish, abound and some

Good joke, but told too often: Ettore Sottsass's room divider

ing enthusiastic for their Lego sets, the apparent inspiration for much of their work. Well represented, too, are the open and jolly derivative: for example, Robert Venturi's plywood "Chippendale" chairs, or Stefan Zwicky's "Corbusier Sans Confort" chair, so named because the down-filled leather cushions of the original are replaced by blocks of solid, raw concrete.

We can only wonder at the conclusions should historians of the future try to gain any insight into "the way we lived then" from any of this. The joint authors of *80s Style* — who merit no credit on the book's cover — stress the fun of it all. But we wait to see whether in the Nineties designers will tire of the nursery, and put away these childish things.

**JOSEPH CONNOLLY**  
● *80s Style: Designs of the Decade*, by Albrecht Bengert & Karl Michael Armer (Thames & Hudson, £16.95).

## And here's one I made earlier

The best way to personalise your jewellery is to design it yourself

DESIGNING your own diamond ring may sound daunting. But it could be the answer to unsuccessful shopping sorties around high street jewellers. If you find you are not as dab a hand at design as you had hoped there is no obligation to buy the finished piece from Mappin & Webb's personalised jewellery service, available free of charge.

Nor are rings the only option for exercising personal design preferences. Bespoke bracelets, necklaces and earrings can be custom-made to individual requirements.

The process starts with a meeting at Mappin & Webb to discuss ideas with the company's designers. Size, colour and shape of stones are considered, along with style of setting and price ceilings. Colour sketches follow for approval, and the piece is then made up as a wax arrangement containing the chosen stones.

Colouring the wax arrangement in gold or silver around the stones means the design comes to life at a stage where it can still be altered.

Setting the stones in wax is also a practical way of re-designing existing jewellery in a new setting — for example, if heirlooms need updating. The entire service usually takes three or four weeks, but Mappin & Webb says it can complete jewellery by Christmas, so long as the design is not very complicated.

Honor Carter, an American now living in Britain, failed to find an engagement ring she liked in London's Hatton Garden jewellery quarter. "I just didn't want something that anyone else in the street could be wearing," she says.

"I couldn't understand why the London jewellery shops didn't respond when I said I had a substantial sum to spend. I knew I wanted an oval stone and yet they told me there was no such thing as an oval-shaped diamond."

Mappin & Webb's personalised jewellery service appealed to her, however. "When the diamonds were set in wax we got a good idea of how they would look together. And the opportunity to set it on my finger gave me the confidence to proceed with the design."

"When I saw it I was really

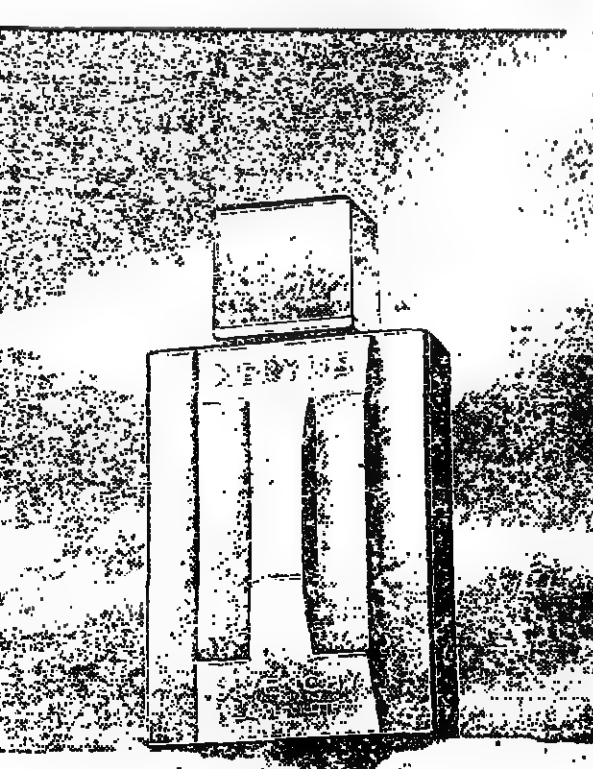


Ring of confidence: but if you don't like it, don't buy

knocked out. When you are going to spend several thousand pounds on jewellery you want it to be special."

**NICOLE SWENGLEY**  
● Mappin & Webb, 106 Regent Street, London W1 (071-734 5842); or Knightsbridge, Queen Victoria Street and Fenchurch Street; also in Manchester, Edinburgh, Glasgow and at Nathan's in Birmingham.

Happy  
**XERYUS**



**GIVENCHY**

## Fortnum's hamper on after 10 December

Fortnum & Mason have announced that you can still order your hampers — even if one has missed their order closing date of 10 December. Due to a late demand they have just introduced an Express Delivery Service for orders received by 18 December. So, all is not lost for those who thought they had missed the boat... or van!

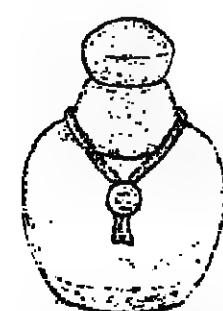
Ring Telephone Orders 071-465 8666 or visit the Hamper Department to place your order now.

Some of the hampers available for Christmas Delivery:

Food Hampers	Wine Hampers	Gift Packs
Berkley £100	St Nicholas £100	Champagne & Chocolates £32.50
Duke £70	Chairman £85	Christmas Box £30.00
Earl £50	Directors £60	Chablis & Smoked Salmon £27.50
Statesman £40	Executive £40	Port & Stilton £22.50
Express Delivery Charge £12.50 per item		Express Delivery Charge £7.50 per item
UK Mainland only.		UK Mainland only.

**FORTNUM & MASON Plc**  
181 PICCADILLY LONDON W1A 1ER

## A SEASONAL GIFT FOR YOU FROM OLEG CASSINI...



A beautiful Cassini evening bag to hold your Cassini perfume purse spray for those special evenings. This gift is exclusive to Harrods with the purchase of two or more items from the range, one of which should be the purse spray. Visit or call the Cassini counter at Harrods to receive your gift. Offer open only while stocks last.

**Harrods**

Harrods, Knightsbridge, London W1. Tel: 071-734 1231

Anna, daughter of Mr and Mrs Eric Sargent, of Quantock.

Trevyan took place on Monday, December 10, in Chelsea.

Frederick, son of Mr and Mrs Rex S. Johnson, of Harold.

Athenaeum. Sir Alton Hon.

Sir Nicolas Browne.

Family Division of the High Court, in April.

following day.

President.

مكتبة من الأصل



## BRIEFING

## Appealing souvenirs

LETTERS written by Sybil Thordike and Lillian Baylis will be under the hammer later this week. So will copies of Shakespeare signed by practically everybody at the Royal Shakespeare Company and a programme for *Richard of Bordeaux*, the play in which John Gielgud scored a huge success, 60 years ago.

Those, and dozens of other theatrical memorabilia, are being sold on Saturday at a Christmas party at Fred's Place in Soho, in aid of the Young Vic, which is now within £100,000 of the £350,000 it needs to survive. Tickets, £35 each, from Lady Mayer on 071-495 0130 or the Young Vic on 071-633 0133.

## Letters of the law

AN AMERICAN pressure group, the National Coalition on Television Violence, is threatening to drown that country's cinemas in alphabet soup. Spurred on by dislike of Hollywood's new NC-17 rating, first awarded to *Henry and June*, the group proposes erecting a network of local censor boards, armed with a vast arsenal of letters and numbers. Ratings would be applied to pinpoint areas of special concern: A (adult situations), D (dangerous drug usage), M (nudity), P (perversion), S (sexual activity), V (violence), VV (very violent), VVV (very very violent). Jack Valenti, president of the Motion Picture Association of America, responsible for the existing certificates, predicts "a confusing mess" if the Coalition's scheme ever becomes a reality.

## Just an orchestra

PRETENTIOUS names for chamber orchestras, part 94: the English conductor John Eliot Gardiner has launched a new period-instrument orchestra, called (despite its entirely British origins) *Orchestra Revolutionnaire et Romantique*, to play 19th-century music in the authentic manner. Is this the most self-important name ever invented for a period-instrument ensemble? There is strong competition. Consider the Academy of Ancient Music, the Orchestra of the Age of Enlightenment, the Orchestra of the Eighteenth Century, Les Arts Florissants... and, of course, Jean-Claude Malgoire's orchestra, entitled — with a flourish of Gallic rhetoric — *La Grande Ecurie et la Chambre du Roy*.

## Last chance...

ENGLISH National Opera's double-bill of *Fennimore and Gerda* and *Gianni Schicchi* promises an essay in contrasts. There can hardly be two more contemporary operas more different than Debussy's lyrical, pastoral tale of Nordic love and Puccini's brash, brilliant comedy. *Gianni Schicchi* is the more successful half of the bill: the production brims with life, responding to Puccini's blend of grossness and wit. The final performance is on Thursday at the Coliseum (071-836 3161).

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LORIN MAAZEL'S ONLY LONDON APPEARANCE THIS SEASON

Director John Caird (centre, left) and composer Stephen Schwartz rehearse with some of the 38-member cast of *Children of Eden*

## Faith in a good book

With a biblical epic imminent, Jim Hiley questions whether huge budgets guarantee either profit or pleasure in musical theatre

*Moe* cost £17,500, yet proved handsome enough to enchant the critics at Stratford, and quickly became the hottest ticket in town. By contrast, the co-producer of *Children of Eden*, Patricia MacNaughton, describes advance bookings as "solid, not amazing".

The Royal Shakespeare Company's John Caird, who shared responsibility with Trevor Nunn for *Les Misérables*, scripted and directed *Children of Eden*. Caird remains confident that audiences will enjoy "losing themselves" in another dense narrative with music.

"The first scene shows the Creation," explains Caird. "Within three-quarters of an hour, Adam and Eve have two teenage sons. Thirty minutes later, Eve is dying, surrounded by her great-grandchildren." A thousand years pass during the interval, then Noah appears, hammering the Ark together. "I see my role as finding how far the audience can be persuaded to suspend disbelief. The less brave I am, the more bored I get." But Caird shuns the technological excesses of some colleagues. Like *Les Misérables*, he insists, *Children of Eden* is a "human epic".

Biblical scholars may be troubled by Caird's humanising methods. Far from ageing and omnipotent, God grows older and wiser as events proceed. Women have been given a prominence denied them in Genesis. "The Old Testament is appealingly sexist," says Caird. "We had to put that right from the word go."

His wife, Frances Ruffelle, plays a character called Yonah, a daughter of the tribe of Cain whom Japheth insists on taking into the Ark, and later marries. Caird says he invented Yonah not to provide love interest, but to emphasise the theme of reconciliation between the generations which, he says, is theologically justified. "I don't believe anyone will find our story offensive. We're filling gaps in writing that beg to be imaginatively reconstructed."

*Children of Eden* has been lengthy and planned five years ago as an oratorio for the vast Crystal Cathedral in California, with a script by the designer Charles Lisanby. The score is by Stephen Schwartz, who set the New Testament to music in *Godspell*. By the time Caird came aboard in 1987, they had managed a try-out, at a convent.

"The trouble with the script," says Caird, "was that almost every big event happened offstage. I began to take over more and more of the writing, to get rid of all the 'Greek messengerism'." As Caird's role expanded, Lisanby's departure became inevitable. "It was unpleasant at times, but I think Charles is happy now. He gets a credit in the programme for 'original conception'." Caird does not smile at this faintly biblical term — "and considerable financial participation."

*Children of Eden* was scheduled to open at the Barbican this autumn as a co-production with the RSC. When the RSC closed its London base temporarily, the musical lost a home and £500,000 of production resources. It was saved by Japanese businessmen.

*Five Guys Named Moe* also struggled into existence, starting as a green-room cabaret at The Crucible, Sheffield, and progressing to late-night shows at the Cottesloe. The American-born actor Clarke Peters admits that his script is little more than a pretext for the performance of 20 numbers associated with Louis Jordan, the rhythm 'n' blues pioneer.

Peters paid for the Cottesloe venture with £2,500 from his savings, and was then invited to mount a production at Stratford. The Theatre Royal's director, Philip Hedley, tried unsuccessfully to raise extra funds from several West End impresarios, and finally aided his pantomime budget to help bring Chapman Roberts and Charles Augus from America, as vocal arranger and choreographer. They drilled the cast in the breathtaking song-and-dance techniques.

"Rehearsals were like being back at school," says Peters. "You needed to warm up for the warm-ups." Such were the demands that a couple of actors left the cast. But the first night was a triumph, and Hedley was suddenly besieged by producers, desperate to finance a West End transfer.

MacNaughton and Peters have agreed to preserve the simplicity of the Stratford version, though the costumes have been re-made and the bandstand has been re-torn. "Minimalism stretches the performer," Peters says. If that is true, his show will probably outlive the expensive charms of *Children of Eden*. Either way, musicals seem likely to rediscover moderation as the 1990s unravel.

Children of Eden previews at the Prince Edward Theatre (071-734 8951) from December 19. *Five Guys Named Moe* transfers to the Lyric Theatre (071-437 3686) from Friday.

## RECORDS: CLASSICAL

## Full, rich and ripe for hearing

Debussy: Images/Prelude à l'après-midi d'un faune. Orchestre dell'Accademia Nazionale di Santa Cecilia/Bernstein. DG 429 728-2 (compact disc).

Copland: Symphony No 3/Music for a Great City. Saint Louis Symphony. RCA Victor Red Seal RD60149 (compact disc).

Copland: Piano Music. Alan Marks. Nimbus NI 5267 (compact disc).

Debussy: Images/Prelude à l'après-midi d'un faune. Orchestre dell'Accademia Nazionale di Santa Cecilia/Bernstein. DG 429 728-2 (compact disc).

Copland: Piano Music. Alan Marks. Nimbus NI 5267 (compact disc).

Copland: Piano Music. Alan Marks. Nimbus NI 5267 (compact disc).

Leonard Slatkin's disc of Copland, with the Saint Louis Symphony Orchestra, is brilliantly played, proving a worthy tribute to the composer who died last week. Like Bernstein, Copland is too often dismissed as a musician who gears his art so that it appeals to the lowest common denominator. Sometimes his ideas and

and modern, this colourful and exciting music cannot hide — nor does it pretend to — its original function as film music.

Alan Marks makes a valuable contribution to Copland's birthday celebrations with a recital devoted to the composer's piano music. The centrepiece here, of course, is the Piano Variations of 1930. But the disc also includes a number of lighter weight: the vigorous and evocative "Four Dance Episodes" from *Rodeo*, the four "Piano Blues" and Marks' own arrangement of one of the "Old American Songs", Copland's equivalent to Britten's English folksong settings. Throughout, Marks plays with a bright tone and infectious rhythmic buoyancy, and the recording, by Nimbus, sounds admirably natural.

Sir Michael Tippett's recent association with the same company, which began last year with a disc that featured the composer himself conducting the "Ritual Dances" from *The Midsummer Marriage*, is pursued further in a record devoted to his choral music, this time conducted by Stephen Darlington. As well as the ubiquitous "Five Negro Spirituals" from *A Child of Our Time*, the disc includes the first ever recording of *Crown of the Year*, the cantata on words by Christopher Fry, besides shorter works like the double choir motet, "Plebs Angeba", the madrigal dance, "Claron Air", and the lovely setting of the Northumbrian folk song, "Bonny a Morn", this last work complete with its lovely trio of gently piping recorders. All are sung by the Choir of Christ Church Cathedral, Oxford, with remarkable exactitude and sensitivity, qualities apt for Tippett's muscular tones and unflinching poetic sensibilities.

STEPHEN PETTIT

## CLASSICAL MUSIC

## In tune with the role of youth

THE Royal Opera may not be winning the highest accolades for business acumen at the moment, but, in its Young Artists in Recital series, it has hit on a quietly shrewd formula for enlightened promotion. These monthly lunchtime events in the Crush Bar not only capitalise on London's seemingly unquenchable thirst for song recitals. They are also Covent Garden's public answer to the widespread accusation that, obsessed with the snakes and ladders of top international casting, the house is simply not doing enough for the careers of young singers.

At one level, the series is a shop window for the Opera House's own Young Singers' Programme, which has been running on quietly behind the scenes for two or three years before finding official identity in September 1989. At that point, John Dobson, senior company bass, took over as director. His charge is the welfare of young protégés who, selected from some 200 auditions a season, may be offered either a permanent company contract, cover roles or small parts.

The public becomes aware of the workings of the scheme primarily when a principal falls ill and everyone has to move along one place. Justin Lavender, for example, took over from Chris Merritt as William Tell last April, and young Alasdair Elliott suddenly found himself in Lavender's role as the Boatman Elliott will have his recital next May. Linda Kitchen, Tell's son, will perform hers in March, and Mark Beesley, who gives the next recital on January 22, will be taking over as the Minister in the next run of *Fidelio*.

The company is conscientious in its searching (members of the panel may regularly be spotted in the audience of college and fringe productions up and down the country), generally sensitive in its matching and timing of roles, and seems genuinely anxious to expand the scheme as far as is possible within the constraints of an international house.

The recital series, though, is also a showcase for young singers who

may not yet have been offered roles, but with whom the Royal Opera clearly wants to keep in touch. Such a one is the Icelandic tenor, Gunnar Gudbjörnsson, whose recital last week, attended by an audience of 80 or so, was something of an event. On the basis that an opera singer cannot live by voice alone, Covent Garden recommended Gudbjörnsson to the National Opera Studio where he is now building up his stage technique. The voice alone, though, is a force to be reckoned with. This is a tenor whose low register has a ringing baritone strength, and who, at the top of the voice, slices the air with a silvery glint characteristic of the Nordic voice and inevitably reminiscent of Nicolai Gedda, with whom he has studied. Apart from small roles at Opera North and Buxton, Gudbjörnsson has, so far, been seen in Britain only as Welsh National's Ferrando in *Cost*.

His recital revealed not only the stamina and nuance of this distinctive voice, but also introduced its audience to the virtually unknown Icelandic song repertoire of this century. Much of the earlier work tends to take the form of conventional, European-influenced romantic settings of folk-derived melodies, whose own pedigree dates back to the ancient *rimur* or metrical romances and the *sagnadansar* or ballads. Jón Leif, the doyen and, in many ways, the Bartók of Icelandic music, was represented by a short, austere "Vogvögna" (Cradle Song), the voice a dark, bending monotone above the piano's oscillating ostinato. The younger generation of a country with an unusually high proportion of composers to population, many of them particularly sensitive to the voice, was glimpsed in Jón Thorarinnsson's "Bird at the Water's Edge", and two songs, hand-dek-like in their stentorian word setting and terse accompanying images, by his pupil, Gunnar Reynir Sveinsson, a distinctive voice in theatre music in Iceland.

HILARY FINCH

## RADIO

## Politics in the margin

THE Chief Rabbi of the Commonwealth has sent me a mild reproof for accusing The Reith Lectures (Radio 3, Wednesdays) of not addressing the subject of religious fundamentalism. While happy to announce that tomorrow evening's lecture will indeed find its issue in the service of that topic, this column cannot recommend the programme. In intellectual tedium belongs in academia, not on the air waves, although it has to be said that the lectures' puritanical epiphany was not himself noted for wit. My original point was that fundamentalism is the only aspect of religion that should concern other people: private conscience is a closed book, fanatic behaviour is an abiding menace. When such behaviour affects entire communities, it becomes politics by another name.

The BBC's chief political reporter, John Cole, uttered the disclaimer of the weekend with the very first sentence of *Dawn Year* (Radio 4, Sunday). The phrase was "Despite its troubled history..." and it was spoken in the ancient ecclesiastical centre of Armagh, locus classicus of all religious fundamentalism. The city of Liverpool may boast two cathedrals of opposing denominations; Armagh handily trumps it by calling both its cathedrals St Patrick's. Relations between the churchmen of the two faiths are said to be excellent, a fact which seems not to mitigate the bigotry of their parishioners. The Big-

Enders and the Little-Enders will always dispute the correct way of opening their curate's egg.

A little touch of Swift was plainly called for here, and Cole obliged by unearthing a first edition of *Gulliver's Travels* — the very copy, indeed, in which the author had scribbled marginal emendations to be incorporated in the second edition. "Yes, I see," the sage of Westminster observed, "he's changed purple, yellow and white to 'blue, red and green'." Well yes, and he did so for reasons of political satire; one wonders whether Cole realised this and was ensuring that politics itself was kept in the margin.

There was certainly an abiding air of unreality about the programme, as though a reporter sent to the scene of a cataclysmic disaster had devoted his air-time to a description of the local flora and fauna. What are the "ordinary" people of Armagh are like we never discovered, only that some of them periodically take to the open air for the purpose of hurling a 28lb cannon ball along roads whose names read like a Beckett of atrocity just as in some antediluvian form of golf, the constant taking the "lowest" throws to reach the destination is judged the winner. Exercised by the prospect of innocent motorists being alarmed, Cole was assured that they are always given safe conduct. Perhaps this is a good augury for the future.

MARTIN CROPPER

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The divers worked in terrible conditions. We searched Antares twice and found three bodies, but with visibility so limited there is still a good chance that the fourth body is lying near where the wreck was." The Antares, now on her way to Greencock for examination, has been handed over to the police who, with the transport department and the defence ministry, are investigating her loss.

## By ANDREW McEWEN, DIPLOMATIC EDITOR

agrees. Mr Hurd's proposal does not mean that the British Army of the Rhine would cease to be fully British, or that Britain would lose control of its command.

While the matter has been discussed in outline by Nato ministers, the question of command has not yet been addressed. It is seen as an effort to retain all the important elements of the alliance and Britain's part in it, while giving it a European flavour to appeal more to Bonn, Paris and Rome.

Mr Hurd said: "How to build a genuine European security identity will be one of the themes of the inter-governmental conference on political union," (which opens in Rome on Saturday).

He added: "Britain will have proposals to make and will listen attentively to the proposals of others."

A government source said this would also be Britain's approach on other issues, implicitly including an Anglo-German proposal

that virtually all decisions should be taken by majority vote.

The source said the force could consist of about 75,000 men made up of units from each member country. Most would be based in their own countries except during exercises, but Britain's contribution would be the army of the Rhine.

As the speech was given in Germany, and German journalists were called to the British embassy in Bonn to discuss it, there was speculation that part of the aim was to make a continuing British presence in Germany acceptable to German public opinion.

It appears, however, that the aim was more to boost the acceptability of Germany's continuing membership of Nato by linking it to Western European union. The force would, however, include American units, and the European element would not be entirely separate.

**Letters, page 15**

**By TIM JONES AND KEVIN EASON**

Government warnings that employers and unions must curb wage-led inflation if Britain is to avoid widespread job losses went unheeded yesterday with the unions and management at Peugeot Talbot deal agreed a generous two-year deal for assembly workers at Lytton, Coventry.

The deal, it was admitted, allowed wages, with price, including allowances, will rise from about £230 a week on average to £274 a week for assembly workers by January 1, 1992, was above inflation but emphasised it was a reward for large productivity improvements at the plant over the past few years.

Manual workers in the industry have been setting the pace for above inflation rises and the Peugeot Talbot agreement creates a big challenge for the government as thousands of other workers have made clear they expected rises which would maintain and improve their living standard.

The Peugeot Talbot deal will be worth 10.5 per cent in new money in the first year from January 1, even though figures due out on

Friday are expected to show inflation down to 9.7 per cent and set to fall further next year. Peugeot said that the rest of the company contained substantial elements of profits bonus and incentives to help the with further improvements in efficiency.

Ryton workers will get an extra 1.5 per cent as part of a job restructuring exercise plus another 2.5 to 3 per cent in profits bonuses. The second year will bring 7 per cent plus a 2.5 per cent profits award. The deal comes at a time, however, when Peugeot has been hit by the recession in new car sales in Britain and will be reducing output at Ryton from 2,400 a week to 2,300 a week.

Jaguar has awarded its 9,000 manual workers 12.5 per cent this year and Rover agreed to 11 per cent for its 40,000 workers. Unions leaders representing 500,000 town hall workers and 150,000 workers in the electricity industry have said they expect rises above inflation, while workers involved in the offshore oil and gas catering industry have been offered 14.5 per cent.

He followed this bombshell with a remark calculated to perplex even students of advanced statistics. "It was the most severe blizzard quite so early for a number of years." *How much less severe was the next most severe blizzard, and just how early, in as many years?* Discuss.

Mr. Hattersley sat quietly, puffing his cheeks in and out, working up the appropriate outrage. On cue, he exploded.

"There's a feeling in the country of... *surprise*," he protested. "Why weren't British Rail prepared?" How was it that "some homes were without water for a day?" ... "Thousands of homeless."

Birmingham's Andrew Hargreaves (C) then made the mistake of boasting that he had been stuck on the M6. That started the

The home secretary turned to praise Dame Elaine Keelt-Bowman (C, Lancaster), who had told him that she had "set the alarm for 3.30 am, and left at 3.45" (though frankly her extraordinary was no more pronounced than usual).

"She's a credit to us all," Baker told us. "Nothing would stop her!"

"She's a snow-plough" came an ungallant voice not unlike that of Labour's John Prescott.

"On behalf of the Liberal Democrats..."

"Who?"

"May I extend our condolences..." (this was Truro's Matthew Taylor) "... (it hasn't even snowed in Truro!) ... emergency services..." *Aargh!*

MATTHEW PARRIS

**MATTHEW PARRIS**

## Continued from page 1

**Continued from page 1**

were unable to reach the Browns Lane plant while maintenance teams discovered damage in some of the company's premises.

The company said last night that as a result of disruption to assembly schedules, 4,500 workers at Coventry and another 400 at Castle Bromwich, Birmingham, would be laid off until next week.

Mr Rifkind's announcement came as MPs returned to Westminster from their weekend attempts to visit their constituencies, protesting bitterly about being stuck in their cars for hours. Their complaints drew from

Kenneth Baker, the home secretary, the disclosure that the authorities were considering closing urban motorways in severe weather to stop motorists becoming stranded.

The strongest criticism came from MPs representing seats in the North and the Midlands, and whose cars had been trapped in motorway snowdrifts. Ivan Lawrence, Tory MP for Burton, provoked laughter when he said he had been sustained during his 11-hour wait near the Corley service on the M6 only by the company of his wife and "good Burton beer kept for emergencies."

**ACROSS**

- 1 Old spinner with craft but lacking a teasing quality (8).
- 5 Part-time barman, insisting on a drink (6).
- 8 Formerly fee, or other settlement (10).
- 9 Smoke screen precluding outside broadcasts (4).
- 10 English resort with sort of bath that's a financial disaster (5,3,6).
- 11 "Can this \_\_\_\_\_ hold the vast fields of France?" (*Hen. I*) (7).
- 13 Squire's first to go after wild beasts using hounds (7).
- 15 Man who hasn't made the First XI (7).
- 18 Cheer up! Try initially to enjoy nature (7).
- 21 Hit wicket, just as you get a

**DOWN**

- 22 Side-splitting little foreign country (4).
- 23 Declarer's ace, run into trouble (10).
- 24 Bent under canvas (6).
- 25 Righteous state, unhappy about international order (8).

**DOWN**

- 1 Unfortunately, a chap is unable to communicate (7).
- 2 Vehicle border accepts black gemstone (9).
- 3 Score for T.U.C. (5,2).
- 4 Most sympathetic, moreover, on feminine questions (7).
- 5 Conjecture, appropriate to support specious conclusion (9).
- 6 Spirit in America, vague at heart

**A daily safari through the language jungle. Which of the possible definitions is correct?**  
**By Philip Howard**

**SKILLION**  
a. A trained Nov  
b. A lean-to  
c. A kitchen worker

b. Made of wickerwork  
c. By the roadside

**KABELJOU**  
a. A Dutch chapel verge  
b. A false emerald  
c. A big fish

**HART DUCHA**  
a. A Red Deer stag  
b. A mountain hat  
c. Self-control

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Scotland	744
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with patchy light rain. Wales and central and north-west England will be mainly dry with sunny spells. Scotland and Northern Ireland will start dry and bright, but rain spreading from the north-west may fall as snow over high ground in Scotland. Eastern Scotland will be brighter and mainly dry. Outlook: brighter with dry spells, but rain in the North-West.

[illegible][illegible]

Yesterday: Temp: max 6 am to 6 pm, 7C (45F); min 6 pm to 6 am, 3C (37F). Humidity: 8 pm, 88 per cent. Rain: 24 hr to 6 pm, 0.14 in. Sun: 24 hr to 6 pm, nil. Bar. mean sea level, 6 mm, 1.005 g.

Sunday: day temp: Loughmoe, near St Andrews, and Vandon, Isle of Wight, 7C (45F); lowest day temp: Lyneham, Wiltshire, and Busdon, Dorsetshire, 2C (36F); Highest rainfall: Dorchester, Dorset, 3.96 in; highest sun:

Wednesday: max 8 am to 6 pm, 7C (45F); min 6 pm to 6 am, 4C (39F). Rain: 24hr to 6 pm, trace. Sept 24 Fri to 0 pm, 1.2 in.

**Forecast:** Temp: max 8 am to 8 pm, 5C (41F); min 6 pm to 6 am, -2C (28F). Rain: 24 hr to 6 pm, trace. Sun: 24 hr to 6 pm, 3.3 in.

and central and north-west  
with sunny spells. Scotland and  
and bright, but rain spreading  
as snow over high ground in  
and be brighter and mainly dry.  
s, but rain in the North-West.

London 3.52 pm to 7.57 am  
Bristol 4.02 pm to 8.08 am  
Edinburgh 1.39 pm to 8.34 am  
Manchester 3.49 pm to 8.16 am  
Penzance 4.20 pm to 8.12 am

Temperatures at midday yesterday: C, Celsius; F, Fahrenheit.				
	C	F		
Belfast	5	41F	Guernsey	5
Birmingham	2	36F	Inverness	4
Blackpool	4	39F	Jersey	5
Bristol	3	37F	London	4
Cardiff	2	36F	Manchester	3
Edinburgh	4	39F	Newcastle	5
Glasgow	6	43F	Winkley	4

Tower Bridge will be lifted at the following times today: 0800hrs and 0830hrs

Lowesport	6.25	7.6	6.48	7.1
Lowestoft	4.00	2.3	5.33	2.8
Margate	6.48	4.1	7.49	4.8
Milford Haven	1.73	6.4	1.91	5.6
Newquay	12.13	5.5	12.41	3.7
Oben	1.10	3.0	1.52	3.3
Penzance	11.57	4.7		
Portland	1.35	1.6	1.40	1.8
Portsmouth	7.1	4.3	7.25	4.8
Shorham	5.14	5.3	5.54	4.9
Southampton	6.29	3.9	6.55	3.7
Swansea	1.14	7.4	1.45	7.9
Tenby	11.18	4.4	11.32	4.6
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- BUSINESS AND FINANCE 23-30
- FOCUS ON GLOBAL CUSTODY 31-33
- LAW 34,35
- SPORT 40-44

# BUSINESS

TUESDAY DECEMBER 11 1990

Executive Editor  
David Brewerton

## Goodman rescue package accepted

From DAN WHITE IN DUBLIN

GOODMAN International, the debt-laden Irish meat group, had a rescue plan accepted by its bankers after a meeting with the examiner appointed by courts to oversee the group's affairs.

The examiner will seek the approval of the High Court in Dublin today for the plan. Representatives from 33 banks that are owed more than £250 million (£454 million) by Goodman met at the Investment Bank of Ireland to discuss the company's fate.

Larry Goodman will emerge with 40 per cent of the restructured company immediately. It will be known as Clare International. If profit targets are met, his shareholding could climb to 90 per cent by 1997.

Mr Goodman will remain as chief executive, but he will be assisted by a new finance director, a new chairman and two further non-executive directors. These must be acceptable to the banks but will be chosen by Mr Goodman.

Interest payments on more than half of the £250 million of debt will be frozen until 1997.

Mr Goodman's demand that he be given immunity from legal action from the banks was also a sticking point.

The plan splits the £250 million Goodman debt into four parts. The £168 million owed to Goodman International by the Irish will bear no interest. Neither will a further £103 million of "rump" debt. There will be an £100 million term interest loan bearing interest at the Dublin interbank rate plus 2 per cent and an £134 million "asset" loan bearing interest at 2 per cent over DIBOR.

Peter Fitzpatrick, the examiner, reckons that the workout plan could be worth up to 73p in the pound to the banks, assuming that the Irish debt will be repaid. If the Irish debt is written off the maximum value of the workout falls to 53p in the pound.

## Oil prices edge up

CRUDE oil prices edged higher, carried along by higher refined product prices, after news of the temporary closure of Saudi Arabia's Ras Tanura refinery after a fire.

In London, January Brent crude futures were up 32 cents per barrel at \$27.50. In New York, light crude oil futures for January stood 32 cents per barrel higher at \$26.90.

Another bullish factor in the oil market is the cold weather.

## Fairfax crashes

John Fairfax, Australia's oldest newspaper empire, has been put into provisional liquidation. The main creditors are the Australia and New Zealand Banking Group and Citibank.

## THE POUND

US dollar 1.9455 (-0.0055)  
German mark 2.8608 (-0.0197)  
Exchange index 93.3 (-0.2)

## STOCK MARKET

FT 30 Share 1721.5 (-2.3)  
FT-SE 100 2182.5 (-0.9)  
New York Dow Jones 2593.07 (+2.97)  
Tokyo Nikkei Avege 23784.67 (+262.18)  
Closing Prices ... Page 29

## INTEREST RATES

London Bank Base: 14%  
3-month interbank 13 1/2-13 3/4%  
3-month eligible bills 12 1/2-12 3/4%  
US: Prime Rate 10%  
Federal Funds 7 1/4%  
3-month Treasury Bills 6.88-6.85%  
30-year bonds 106 1/2-106 1/4%

## CURRENCIES

London: New York: £/\$ 1.9455 \$/£ 0.5142  
£/DM 2.8609 DM/£ 0.3495  
£/Sfr 2.4474 Sfr/£ 0.4086  
£/FF 16.7227 FF/£ 0.0601  
£/Yen 256.32 Yen/£ 0.0039  
£/Ind 33.3 Ind/£ 0.0300  
ECU £0.711360 SDR £0.736425  
£/ECU 1.405777 £/SDR 1.352394

## GOLD

London Fixing: AM \$372.25 pm \$374.05  
Close \$373.90-374.40 (191 75-192.25)  
New York: Comex \$373.85-374.35

## NORTH SEA OIL

Brent (Jan) ... \$27.60 bbl (\$27.10)  
Denotes latest trading price

# Levitt 'urged to contact Fimbra'

By JON ASHWORTH AND ANGELA MACKAY

## Auditor refused to sign off 1989 accounts because 'information was unsatisfactory'

STOY Hayward, auditor to the collapsed Levitt Group, refused to sign off the company's 1989 accounts in June because the financial information provided was "unsatisfactory".

Moreover, in October, after Levitt, one of the largest financial services groups in Britain, failed to fill these gaps, Stoy Hayward advised the company to contact Fimbra, the watchdog. The auditors have been co-operating with Fimbra for the past eight weeks.

Roger Levitt, the group's chairman, was pushed to resign as a director of the main company by Fimbra two weeks ago but has remained chairman of the holding company.

Roger Roberts, a spokesman for Stoy Hayward, said Levitt had been a client since 1977. "We have had a long relationship with the company but we have not signed the 1989 accounts because we were not happy with the information put before us."

"There were several holes which Levitt just did not fill in and we exerted pressure on the company in October to contact Fimbra."

The fate of Levitt hung in the balance last night as officials met to decide whether to place the firm in receivership. Members of KPMG Peat Marwick McLintock were meeting to decide the best course of action. Fimbra confirmed that it has been investigating the affairs of Levitt since making a compliance visit on October 8. It said in a statement that its statutory and contractual powers had been used with a view to protecting client funds, initiating board and management changes, as well as a change in controlling ownership, and injecting additional capital.

"The company has been unable to meet all Fimbra's requirements and applied for an administrator to be appointed."

The four institutions who had taken 4.9 per cent stakes in the Levitt Group, Legal & General, Chase Manhattan, General Accident and Commercial Union, refused to comment further on events.

The institutions paid Mr Levitt £24.6 million in return for their stakes. Fears were voiced that they stand to lose "several million pounds" in indemnity commission, paid upfront in return for life assurance and pension business. But two of the groups said privately that they had written little new business with the company since taking their stakes.

Attention is likely to be focused on the activities of LIT Holdings, the financial services group, which paid £12.3 million for a 24.5 per cent stake in the Levitt Group Holdings in March 1988. LIT was obliged to take up an additional stake in the group if certain profit targets were met.

LIT paid £4.25 million for a further 8.8 per cent stake in February 1989, taking its total investment in the company to 33.3 per cent. The shareholding was repurchased by Mr Levitt for £15.5 million in January 1990. Michael Middlemas, who negotiated the original deal with Mr Levitt, resigned as chief executive of LIT in August 1989.

Mr Middlemas refused to return telephone calls last night. LIT made a £3 million provision in the 1989 accounts to cover its losses on the Levitt investment.

despite repeated signals to the contrary from the Bank, three-month rates were unchanged at 13 1/4-13 1/2 per cent.

Although the weakening domestic economy is widely seen in the City as justifying a further base rate cut, possibly as early as Friday after the November inflation figures are published, the pound has fallen to its lowest level against the mark since Britain joined the exchange-rate mechanism of the European Monetary System.

Fresh fears of a possible rise in German interest rates also depressed sterling, reducing market hopes of a quick cut in British interest rates because the ERM constrains the government's room for monetary manoeuvre.

The Central Statistical Office said the retail sales index for November was 120.7, its lowest since July last year. The continued fall in sales contradicted the latest consumer credit figures, which showed a perplexing surge in borrowing on a broad front.

City forecasters had pointed to a slight recovery in retail sales last month, the traditional start of the Christmas shopping season. But with bad weather hampering shopping last weekend, some analysts

feared crucial December sales will be badly hit.

Keith Skeoch, chief economist at James Capel, said a below-average December after the sharp falls in recent months would be a "disaster" for the retail trade.

Factory gate prices, widely considered a reliable guide to core inflation, gained 0.2 per cent in November for an annual rise of 5.8 per cent in November, down from 5.9 per cent in October.

Manufacturers' fuel and raw material costs showed an encouraging drop of 0.2 per cent in November, for a 2.4 per cent fall in the last 12 months, after a 0.7 per cent fall in the year to October.

Gerard Lyons, chief economist at DKB International, said: "The domestic case for a rate cut remains strong. Retail sales are weaker, producer prices are better than expected, with input prices still reflecting disinflationary conditions."

Jim O'Neill, currency analyst at Swiss Bank Corp, said that with the economy imploding, a base rate cut would be risky, "but there is now a need for risky moves."

Monetary union, page 14  
Comment, page 25

## Shop sales signal lean Christmas

By COLIN NAURROUGH, ECONOMICS CORRESPONDENT

RETAIL sales figures fell another half per cent last month after a 1.1 per cent drop in October, prompting fears that retailers are heading for a lean Christmas to end a bad year.

While the provisional volume retail sales numbers provided fresh evidence of recession, producer price data suggested that underlying inflation may have peaked.

The pound softened after the data, but the foreign exchange market focused on the dollar, which fell to a low of DM1.4675 at one stage.

Sterling followed the dollar down for much of the session on the back of sluggish oil prices, the prospect of interest rate cuts, and speculation about an early general election.

But the pound ended in London only slightly lower at \$1.9455, while against the mark, helped by talks of rate adjustment by the Bundesbank, sterling shed almost two and half pence to DM2.8609.

On its Bank of England trade-weighted index, the pound ended 0.3 of a point down on Friday's close at 93.3. In the money markets, where expectations of early base rate cuts have been high,

despite repeated signals to the contrary from the Bank, three-month rates were unchanged at 13 1/4-13 1/2 per cent.

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Comment, page 25



FLYING HIGH: David Crossland (left), chairman of Alkermes, the UK's fourth largest package tour operator, and Hugh Collinson, managing director, look forward to another good year after reporting a 21 per cent increase in pre-tax profits to \$6.3 million for the 12 months to the end of September.

## SmithKline shuffles boardroom

By JONATHAN PRYNN

SMITHKLINE Beecham, the Anglo-American pharmaceutical group, is to give non-executive directors a majority voice in its boardroom through a major restructuring of its senior management.

The board of 20 will be cut to 16, comprising seven executive and nine non-executive directors. Until now, the board has been equally split between executive and non-executive members.

The restructuring also brings Alain Gomez, chairman and chief executive of Thompson, the French electronics group, onto the SmithKline Beecham main board.

Henry Wendi, the group's chairman, said: "Following the merger last year, our focus has been on the successful creation of a new company. As we move to the next phase our focus is on directing the development of SmithKline Beecham as a growing force in global health care."

"Change of this order begins in the boardroom. We believe the board should reflect the transitional nature of our company. We also believe a board smaller than the present 20 members is now appropriate. Finally we believe successful corporate governance now and in future requires a board comprised of a majority of non-executive directors experienced in corporate matters, a broad perspective, and representative of a variety of points of view."

Three executive board members are resigning from the main board as a result of the restructuring but will remain as members of the group's executive committee.

## Slimmer Berisford still loses £326m

By MATTHEW BOND

BERISFORD International, which announced the £880 million sale of British Sugar to Associated British Foods, made losses of £326 million in the year to September.

John Slater, the chairman, who succeeded Ephraim Margules in March, described the results as "very poor". He added they had been affected by big provisions on British property, high interest costs, poor trading results and lack of confidence in the company's financial soundness. No interim dividend (1.8p) or final (4.4p) is being paid.

Berisford's shares fell 6.5p to 22p, despite a pro forma balance sheet showing net assets per share of 73p after the disposal of British Sugar.

Analysis is concerned about Berisford minus British Sugar. Slater, Berisford's food business division, is dominated by British Sugar and was the only division to make a profit in 1990, contributing £111 million to pre-tax profits.

After the British Sugar sale, Berisford's year-end net debt of £922 million has fallen to £247 million, taking gearing below 70 per cent. At their peak, borrowings were £1.2 billion.

Peter Jacobs, Berisford's chief executive, was delighted with the British Sugar sale. "British Sugar is going to a good home," he said. Mr Slater said the sale marked the end of one chapter in Berisford's recovery, and the start of another. "Now as we move into the next phase, the profit and loss account is more significant. Central to the next few weeks will be the defining of a focus for Berisford's ongoing business."

Mr Slater thanked the advisers and 68 banks for their support. The banks agreed a £1.2 billion refinancing in September. The results reiterate the damage to Berisford by its ill-fated decision in the Eighties, to diversify into property. The problems began in New York, but its British schemes are now hit.

Despite a £12.5 million provision only three months before the year-end, a further £72.7 million has been written off the value of the British property portfolio, taking total provisions to £85.2 million. This forms the main part of a £121.2 million exceptional item, which caused the company to report a £96.1 million loss at the pre-tax level.

The ruinous slide in New York property values has continued. Despite the £234 million provision at interim time, the company has made further \$86.8 million provisions taking write-offs to over \$400 million.

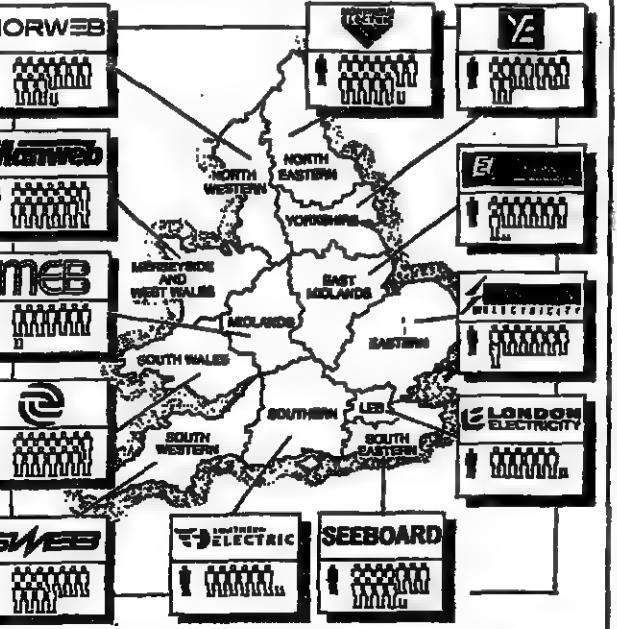
Comment, page 25

## Opel expands eastward

Opel, General Motors' German car manufacturing subsidiary, says it is to sign a contract on Thursday to spend DM1 billion on a new car factory in Eisenach, eastern Germany. General Motors has also been in talks with Bratislava Automobile Zavody about producing gearboxes.

DMBSha Skoda Joke, page 25

## Power cut for investors



THE government has announced the levels of allocation in the flotation of the 12 electricity distribution companies, with, as had been expected, wide regional variations and a heavy scaling-back of the 12.75 million applications by 5.7 million people. As the map shows, levels of oversubscription from the public range from a little more than six times, in the case of London and Southern, up to approaching 14 for Manweb and South Wales.

## Pakistan counts millions

INHABITANTS of Pakistan's last census, dried-mud houses and those of its palatial mansions have all been counted in a census to find out how much the population of one of the world's fastest-growing countries has increased in the past decade.

The fifth census of Pakistan's 43-year history began on November 22. But by the time the results are released in about six months' time, hundreds of thousands of children will have been born.

The measures are aimed to halt the billions of pounds of drug money flowing through the financial industry each year. Bank staff are being trained to spot suspicious transactions, particularly unusually large cash deposits, foreign exchange deals, or the use of forged notes or bonds.

Banks have to report transactions to the National Drug Intelligence Unit at Scotland Yard. The unit will then call in special investigators.

The guidelines call for customers to show a passport or a full driving licence before they are allowed to open an account. The guidelines say that even birth certificates can be obtained too easily for use as full identification.

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By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

## BET to sell Anglian

By OUR CITY STAFF

### By Our City Staff

## COMPANY BRIEFS

**Airsprung Furniture (Int)** Interim dividend held to "modest"  
Pre-tax: £1.35m (£903,000) increase due to need to conserve

Pre-tax: £1.22m (2.3m) share buybacks. Does not foresee major reduction in profits during the current year.

EPS: 7p (11.2p)

Div: 2.5p (2.5p)

I Morris (Saltire) (Int)

Pre-tax: £6,000

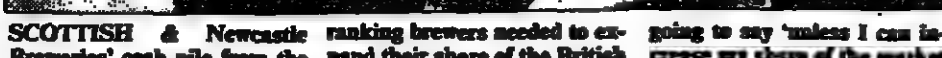
(£204,000)

Illingworth Morris (Saltire) says there has been no significant

Div: n.a

We work in 14 countries throughout the world, operating nearly 5,000 contracts and employing 41,000 staff.

مكتبة من الاصل



Alick Rankin (above), the chairman and chief executive, said S&N and other mid-

## Pensioner takes on Albert Fisher buys Campbell firms

**MICHAEL** Gaisford, a prisoner, is contesting a decision

whether the health benefits of the product, which Philips offered was contractual, or could be changed or cancelled by the company.

Mr Gaisford retired in 1984. He had been in the company since 1964, when he had bought a 25% stake in the business for £15 million after deducting borrowings of £9.46 million. Combined net-tax profits for 1984 were £1.2 million, and supplies to retailers.

Most of the vegetables are bought from British growers. The division also imports 16,000 tonnes annually.

PP's retirement health plan which pays for private health care if the National Health Service cannot provide treatment within six weeks. A

Philips spokesman declined to comment.

By GILLIAN BOWDITCH

Most of the vegetables are bought from British growers. The division also imports 16,000 tonnes annually,



Prider's shares were unchanged at 116p.

**WORLD MARK**

Daily

Index	Value	Change (%)
...	...	...

## By MATTHEW BOND

Mr Rithlat said he is continuing to look for attractive opportunities, both large and small.

By MARTIN BARROW

ing Designs was sold for £2 million. Negotiations over the sale of the group's defence companies were at an advanced stage, the company

## £400m order

**THE** restructuring of Alan Bond's Bond Corp has been significantly helped by the appointments of provisional liquidators.

**Oriflame profit halved**

**ORIFLAME**, the London-listed Swedish cosmetics group has provided £1.5 million against potential losses on an

## Whitecroft falls to £3.6m

THE commercial property slump has contributed to a halving of interim pre-tax

profits fell from £2.8 million to £614,000 in the six

## Creighton's advances

Pre-tax profits for the six months to end-September show a rise from £117,000 to £502,000, on sales of £5.57 million, up from £3.85 million. Earnings per share rose from 1.7p to 7.1p.

## LONDON TRADED OPTIONS

127)	130	6	12	-	7	12	-	Suspended	300	%	%	-	-	-
	140	8	7	11	16	18	20		350	%	%	-	-	-
Page	960	100	130	150	7	17	27	Projected	100	37	40	45	1%	3%
1/1/70	1000	80	100	120	10	20	40	(1/1/70)	100	10	14	20	4	8

[illegible]

300	47	57	8	10	24	30	16	-	18	-
320	23	33	40	12	25	320	14	16	18	20
340	38	107	224	28	17	340	16	22	28	5
360	49	98	80	11	20	360	11	16	22	15
380	16	40	32	43	46	380	5	-	27	-
400	82	93	112	9	30	400	16	22	28	5
420	24	95	88	25	59	420	11	16	22	15
440	20	40	-	-	-	440	5	-	27	-

Series Day Mar Apr May Jun Jul Aug Sep Oct Nov Dec

		Series Data						
		Mar	Apr	May	June	July	Aug.	
B-1	680	76	79	8	8	76		
B-2	650	17	37	47	28	38		
C-1	250	27	38	40	3	8		
C-2	240	12	25	40	9	12	16	
D-1	280	4	12	17	28	24	25	
D-2	250	25	45	45	1	1	1	
E-1	350	1	14	1	1	1	1	
E-2	380	29						

[illegible][illegible]

700	280	22	40	4	8	9	130	11	18	1	8	16	9	
700	280	1823	35	8	12	15	140	3	17	23	1	8	16	9
700	300	874	10	2228	23	25	150	4	18	13	1	8	16	9
700	300	41	45	95	10	12	150	7	21	5	9	18	18	9
700	330	21	38	38	11	22	150	8	24	105	1	18	18	9
700	330	874	16	25	34	38	150	50	88	84	1	18	18	9
700	360	118	135	7	18	22	150	420	22	48	84	4	21	21
750	580	81	103	16	18	22								

PT-85 DRIVE

MP170

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1900	330	30	40	60	22	30	33						
1901	420	15	27	35	40	47	50						
1902	480	7	14	25	77	77	77						
1903	480	97	107	114	7	13	18						
1904	500	63	77	87	12	25	28						
1905	550	30	45	60	22	30	33						
1906	550	30	45	60	22	30	33						
1907	550	30	45	60	22	30	33						
1908	550	30	45	60	22	30	33						
1909	550	30	45	60	22	30	33						
1910	550	30	45	60	22	30	33						
1911	550	30	45	60	22	30	33						
1912	550	30	45	60	22	30	33						
1913	550	30	45	60	22	30	33						
1914	550	30	45	60	22	30	33						
1915	550	30	45	60	22	30	33						
1916	550	30	45	60	22	30	33						
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1918	550	30	45	60	22	30	33						
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2008	550	30	45	60	22	30	33						
2009	550	30	45	60	22	30	33						
2010	550	30	45	60	22	30	33						
2011	550	30	45	60	22	30	33						
2012	550	30	45	60	22	30	33						
2013	550	30	45	60	22	30	33						
2014	550	30	45	60	22	30	33						
2015	550	30	45	60	22	30	33						
2016	550	30	45	60	22	30	33						
2017	550	30	45	60	22	30	33						
2018	550	30	45	60	22	30	33						
2019	550	30	45	60	22	30	33						
2020	550	30	45	60	22	30	33						
2021	550	30	45	60	22	30	33						
2022	550	30	45	60	22	30	33						
2023	550	30	45	60	22	30	33						
2024	550	30	45	60	22	30	33						
2025	550	30	45	60	22	30	33						
2026	550	30	45	60	22	30	33						
2027	550	30	45	60	22	30	33						
2028	550	30	45	60	22	30	33						
2029	550	30	45	60	22	30	33						
2030	550	30	45	60	22	30	33						
2031	550	30	45	60	22	30	33						
2032	550	30	45	60	22	30	33						
2033	550	30	45	60	22	30	33						
2034	550	30	45	60	22	30	33						
2035	550	30	45	60	22	30	33						
2036	550	30	45	60	22	30	33						
2037	550	30	45	60	22	30	33						
2038	550	30	45	60	22	30	33						
2039	550	30	45	60	22	30	33						
2040	550	30	45	60	22	30	33						
2041	550	30											

Open taken out on: 10/12/00 Allied Lyons, Bedford Ind, Exeter/UK.

100



# Frank is going empty handed

## COMMENT

Perhaps the saddest statistic from the allocation lists for electricity shares is that only about half the seven million people who expressed an interest in the float by registering as customers beforehand will receive any shares.

This looks like being the privatisation where the stage got left out in the cold, although the government would do well not to take too much of the credit. It was faced with a tricky decision, once the sheer scale of the potential oversubscription was known. Investors keen to put in £10,000 or so and walk away with a £5,000 immediate profit, if grey market dealings are to be trusted, clearly had to go out immediately. But what of the punter who puts in a more modest £1,000? Is it fairer to allocate £100-worth and hold on to the balance of his or her money, perhaps until the New Year, or would that investor be happier with a cheque which was uncashed from the start?

The government and its advisers have chosen the first course. Non-customers only go out entirely if they put in £1,500

or more for London, the least popular of the 12 in terms of oversubscription. Applications for £1,000 or less get just 100 shares.

At the other end of the scale are non-customers in SEEBOARD. The company's relatively small size and the heavy customer response leaves those of them wanting the minimum of 100 shares with just 90, while all the others go out entirely.

The mathematics of the response to the issue suggests that of the total 12.75 million applications, more than nine million come from non-customers, who are by definition most likely to want to sell out immediately. Special dealing arrangements such as Sharelink, which allow an immediate sale, account for perhaps 500,000. The rest will have to wait until after the Christmas break at least for their certificates.

All this looks like a recipe for chaos in the after-market. The

institutions have picked their favourites, and these are not necessarily those now heading for the highest premiums.

## Xmas puzzle

As if the arctic storms that swept the country at the weekend, and the crucial loss in shopping days it brought, were not enough to send shivers through an already desperate retail sector, the latest sales numbers provide another icy blast.

After plummeting 1.1 per cent in October, the City had been looking for the provisional retail sales figures for November to show the consumer having regained a little confidence. The base rate cut in October, and expectations of more to come,

was expected to have added to pressures generated as Yuletide neared.

But where consumer credit data last week, which showed a surge to record levels of borrowing, cast doubt on the woeful message from the high streets and shopping malls, the retail sales data gave chill confirmation that shoppers are in steep retreat. Volume sales fell 0.5 per cent in November, compounding the effect of the 1.1 per cent slump in October.

Retailers are clearly seeing their worst times since the last recession and the downturn in sales has started to feed through to all subsectors, even food and drink, which long seemed invulnerable to the squeeze. The grim picture is made clearer in the six-month comparison, which points to annualised sales

volumes falling about 6 per cent.

Given the evidence of recession, many City economists share the Retail Consortium's view about the need to ease the monetary reins urgently. However, most, like Norman Lamont himself, add the important proviso that interest rate cuts must take into account the position of sterling in the exchange-rate mechanism. And the value of the pound is no longer in the Chancellor's gift, as the market saw yesterday when the Bundesbank announced a new conference for Thursday.

Fearful that the Bundesbank is about to hike key lending rates, foreign exchange dealers marked down the pound to close to DM2.86, further towards the bottom of its ERM band. Does that end all hope of an early cut in base rate? Not necessarily. The currency has room to bounce back this week. But the question for Mr Lamont is whether Britain's monetary management

will gain credibility with a potentially risky easing this side of Christmas.

## What Next?

The walking wounded are not difficult to spot in the retail sector but Next is one company which appears to be on the critical list if its share price is anything to go by. The shares hit a new low of 19p yesterday, only 1p down on the day, but at these levels every penny off the price equals a 5 per cent drop in value.

The group is now valued at £70 million. This time last year Next was worth four times that amount. But even at these levels Next has its supporters. Only last week Nick Bubb of Morgan Stanley was tipping the stock as a buy. Retail analysts believe the value of the Grattan mail order business alone is worth more than the current market value of Next.

Next denies it is in financial trouble but the share price appears to be saying something and in these nervous markets that message is difficult to ignore.

# The DM8bn Skoda joke from Volkswagen



Time off: A Skoda worker ponders life with Volkswagen

A JOKE about Skoda cars used to say there was only one way to add value to them: pour a gallon of petrol in the tank.

Last weekend, Volkswagen raised the jocular stakes, when it was allowed to go ahead with its plan to pour DM8 billion into Skoda, all for the sake of adding value.

Innocent bystanders might regard this as a so far unknown incident of a German sense of humour. Others might take a different view. They might say, with some justification, that the management of Volkswagen has gone mad.

Volkswagen is renowned for making reliable cars. The beetle kept going for almost 50 years, and the nowadays omnipresent Golf has been about since 1974.

But today, the company, famous for its small cars, is going for size. If size was the yardstick of success, Volkswagen could already claim the title of undisputed European heavyweight champion of the car industry.

The company has widened the sales gap on Fiat, its principle European rival, and with Skoda as its fourth operating subsidiary, after Volkswagen, Audi and Seat, the gap will widen further.

The fight between Volkswagen and Renault for Skoda has probably been one of the biggest ego-trips in the history of the motor industry. Both companies outbid each other, offering ever-higher investment commitments together with promises to keep Skoda an independent marque.

What clinched the deal for Volkswagen was the commitment to invest DM8 billion over the next ten years, almost twice as much as Renault's commitment, in addition to a generous social plan for Skoda car workers, some of whom are about to lose their jobs.

The Czech republic has no doubt landed a good deal, but whether Skoda is equally beneficial for Volkswagen must be open to question.

Before Skoda, Volkswagen operated three different own-brand companies, with Seat, VW and Audi, in the lower, middle and upper markets

respectively. Audi has been the darkest horse of them all. Despite Vorsprung durch Technik, Audi has never caught up with the image or, indeed, the sales of BMW or Mercedes-Benz. In the small car market, Seat's position has improved, but from a negligible basis, and it still lags substantially behind Ford, Opel and Fiat. Only the traditional Volkswagen business

continues to thrive. The company is just another proof of the theory that diversification is bad news. In Volkswagen's case, size is everything but a yardstick of success. Pre-tax margins, after recovering during the mid-Eighties, are now falling again, from 1.5 per cent last year, to 1.2 per cent at the interim stage this year, with some further declines expected.

Compared with Daimler-Benz and BMW, its German rivals, and to Fiat, this is a dismal performance by Volkswagen.

So then: Why buy Skoda? There is the argument that Skoda is the highest quality car manufacturer in east Europe, which is probably true, and with Skoda on board, Volkswagen might be able to sweep clean the east European car market. This, however, is unlikely to be the case.

There will no doubt be a thriving east European market for cars one day, although east Europe is now facing an economic and soon perhaps a political uncertainty, pushing that day ever further away by the month.

But even allowing for a very long-term approach, there is absolutely no evidence that east Europeans will continue to buy east European products. They did in the past because there was no choice.

They might not do so once there is a choice. Indeed, the observations in eastern Germany point to that direction. After the introduction of the market, consumers preferred even "western" milk to "eastern" milk, despite there being no price or quality difference.

They were prepared to pay more for western paperback editions of books while eastern hardback editions of the same books cost only half as much. The simple truth of east European consumer behaviour is that it is highly irrational and biased in favour of western goods, in favour of Volkswagen and against Skoda or Lada.

For Czechoslovakia, Volkswagen's decision is good news. It will provide jobs and investment for some time, and the country will benefit from the economic knock-on effects, even if the Skoda brand name is sacrificed one day.

But the question remains whether Volkswagen is not paying too much for what might one day turn out to be nothing more than just another factory making Polos or Golfs.

WOLFGANG MÜNCHAU  
European Business Correspondent

# Disposal of British Sugar does not sweeten Berisford's future

## TEMPUS

JOHN Slater, the chairman, is rightly proud of the progress made at Berisford International, the property-to-commodities group.

For months after he succeeded Ephraim Margulies in March, Berisford teetered on the edge of administration. That risk receded in September, when 68 banks formalised their informal support and agreed a £1.2 billion restructuring of the company's debts. It should have receded still further when the company negotiated the £880 million disposal of British Sugar to Associated British Foods. As a result of the disposal, shareholders' funds, which at the year end had dropped to £93 million, recovered to £356.3 million. Net debt falls from £922 million to £247 million. The net result is that gearing drops from a year-end level of 98.8 per cent to 69 per cent.

So why did Berisford's shares fall 6.5p to 22p, completely ignoring a pro forma balance sheet that says the company has net assets per share of 73p?

Shock is one reason. Shock at the extraordinary scale of the damage done to the company by its diversification into property. In Britain, property write-offs totalled £85.2 million. Taken as part of a £121 million exceptional item, the property write-downs knocked Berisford's pre-tax losses down to £96.1 million. No dividend is being paid (4.4p).

In New York, where Berisford's disaster began, write-downs totalled £192 million and were taken below the line, as part of a £237 million extraordinary item. But the management is now confident it has fully provided for one of the most ill-starred corporate ventures of recent times.

There was also disappointment over the sale price of British Sugar. This seems a little unfair. Given the pressures of Hanson, Tate & Lyle and two continental buyers, £880 million, an exit price earnings ratio of ten plus, is clearly the best price achievable in the present market.

The biggest problem the sale of British Sugar represents is that it takes away Berisford's reason for being. Without it, Berisford becomes a diverse collection of second-string companies, capable of making who knows what in the current year.

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Best bet at the moment is Carlsberg, presently brewed under licence by Grand Metropolitan in a deal that will be reviewed by the Danes once Carlsberg takes control of GrandMet's brewing operations.

S&N was yesterday featuring the benefits of keeping its money in the bank. Operating profits were less than £4 million ahead at £115.1 million, but interest payments were reduced from £26.1 million to £2.6 million by the £645 million sale of Thistle Hotels.

The group lost £15 million of hotel profits but its leisure side, boosted by six-month contributions from Ponton's and Center Parcs, doubled profits to £32.4 million. For the full year, it should make £220 million pre-tax. The shares, strong performers since March, now change hands on a multiple of 11.4. They look unlikely to progress until the board's intentions become clear.

Airtours

INVESTORS who piled out of Airtours in August and September in a knee-jerk response to higher fuel prices had nothing to gloat over when Britain's fourth-largest tour operator reported better-than-expected profits.

Sun seekers may lament the demise of the cheap last-minute package holiday but

ther into the ale market when the traffic is all in the opposite direction.

S&N will, if current trends continue, have to wait another two years before more than half its sales are of larger. Well ahead of that, the smart money reckons, it will have lined up a deal with a big continental lager producer.

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Sun seekers may lament the demise of the cheap last-minute package holiday but

for Airtours, the end of cut-throat discounting means a return to the profit margins acceptable to other industries.

A 21 per cent increase in taxable profits to £6.3 million for the year ended September and a 31 per cent increase in earnings to 27.2p a share owed much to a large surge in demand for summer holidays when would-be tourists discovered that the holidays were simply not available.

Demand outstripped supply and Airtours was able to increase prices. The number of passengers carried rose 8.4 per cent to 720,000 in a market which suffered a 12 per cent contraction in capacity.

As for increased fuel costs that should have resulted from higher oil prices, these never happened. It is Airtours' normal policy to hedge its fuel costs, which normally account for about one-third of total costs, and last year the company saved itself about £1 million by buying fuel at "pre-Gulf" levels.

The stock market took weeks to spot the difference between Airtours and the likes of British Airways, which is far more exposed to volatile oil prices. Airtours shares, worth 140p before the Iraqis walked into Kuwait, slumped to 109p before recovering to 143p and climbing another 6p to 149p yesterday. They have another 10p to go to catch up with the rest of the market and should go even higher.

A total dividend of 18 pence higher at 8.25p a share, after a final 6.75p, completes a confident picture. Airtours has £26 million in the bank and is well-placed to build upon last year's success. The current year should see profits of £7.5 million, leaving the shares on a prospective multiple of just five and looking cheap for contrarians prepared to ignore the City's niggardly view of leisure stocks.

# THE TIMES CITY DIARY

## Industrial heart runs colder

BRITISH industry might be in the midst of a difficult economic climate, but Brian Winterlood, of Winterlood Securities, is nevertheless dismayed by the Scrooge-like attitude of some companies. While posting off cheques worth more than £300,000 - to return the individual payments of £5,000 sent to him by 64 companies to ensure that he would continue to make markets in their shares - Winterlood has been receiving initial responses to his earlier letter, which suggested that the companies donate part of the money to the Rehabilitation and Medical Research Trust, of which he is a vice-president. "Since the Stock Exchange is now introducing some changes, I wrote to the companies involved saying that these changes would, hopefully, enable us to see sufficient business to be able to carry on market-making," Winterlood explains. "In accordance with our earlier pledge, that we would return the money if the necessary changes came about, we advised them that we would now return the money. I have received a letter from the chairman of one company saying how refreshing it was to come across an honest jobber. But he didn't mention anything about the charity. Even just 10 per cent of the £5,000

would raise an awful lot of money for a good cause."

AN IMAGINATIVE salesman from MI Group, who cold-called City public relations man Ronet Lehman, attempted to sell him a "hypothermia eradication programme." "I think he was trying to ensure that I had a good enough pension to pay my central heating bills when I retire," says Lehman. "I told him that I would buy a hot water bottle instead."

## Constructive cheer

CITY analysts turn their hands to many things in the course of duty. But few can beat the building analysts who gathered in a City pub, The Old Doctor Butler's Head, for an annual test of their gaming skills. The star of the show was Derek Reed, building analyst at Smith New Court, who

snatched first prize from Crystina Brzeskinski, construction analyst at Hoare Govett and last year's winner. Reed won after trying his hand at darts, table football and other traditional pub games. Clearly determined to get their hands on the prize, a hamper of food, Reed's Hoare Govett rivals then bid £250 when he offered the basket for auction. But to demonstrate they bore no ill feeling, Brzeskinski and her teammate Jeff Summers promptly presented the hamper to David Collyer, manager of the pub, who intends to auction it once again to his regulars. The evening, sponsored by Bardon, the quoted construction group, raised £2,000 for leukemia research.

## Second helping

THANKFUL that insider dealing is not illegal in the meat world, Charles Boyd, head of Chester Boyd, the City catering firm, placed a bet on himself and went on to win the Dewhurst master carver contest. Boyd, whose firm does the catering for Butchers and Founders Halls in the Square Mile, was assisted by Graham Jackman, the Smithfield poultry dealer, and, for the second time in three years, won the first prize after carving a 15lb turkey in six minutes. Runners up to Boyd and Jackman were Michael Barry, of The Food Programme, and Henry Cooper, the boxer, who won

last year. Boyd placed a £5 bet on himself at Ladbrokes, which ran a tote on the contest, at even money, and Jackman went further with a £100 bet. "We did fancy ourselves to win," admits Boyd, aged 33, who has been carving since he was 15.

## And doc makes six

WHEN Michael Coppel, the chief executive of Airsprung Furniture Group, the bed and sofa maker, unveiled interim results that defied market trends - pre-tax profits rose 49 per cent - it marked the latest in a long line of achievements by the Coppel family. Coppel, the grandson of a Lithuanian immigrant, reveals that his brother Ronald is the managing director of the Australian Stock Exchange, his cousin Laurence is the head of corporate finance at Singer & Friedlander, another cousin Andrew is the managing director of Sale Tunes, the fruit distributor, and a third cousin Edwin is the managing director of Hampden Home-care, the DIY group. "As kids, we lived within a mile of each other and were brought up together. It was our grandfather who motivated us," says Michael, aged 59. "We keep in touch and learn from each other's experience." A fourth cousin Dennis is a doctor at Belfast's Royal Victoria Hospital.

CAROL LEONARD

## Security Pacific profits warning

SECURITY Pacific, the fifth largest American bank, said that profits this year will fall 75 per cent. It also announced that it will disband its merchant bank and more than double its bad loan provisions to \$1 billion.

Security Pacific recently decided to sell 51 per cent of Hoare Govett, its London stockbroking firm, to senior management. The offer is due to go ahead next month.

In a major restructuring of the second largest bank on America's West coast, Robert H Smith, president and chief executive, said the bank expects to sell, reduce or completely withdraw from many European and Australian activities.

In London, Security Pacific is selling EuroFinance, its European asset finance operation with 350 employees. The business may be sold to a management buyout, unless there is a higher offer. The bank plans to continue developing its corporate finance and interest rates swaps operation in the City.

Security Pacific has said it will maintain an unchanged dividend of 63 cents for the final three months of this year. Against fourth quarter profits, Security Pacific will charge \$200 million to cover costs of closing the merchant bank and \$600 million for additional bad loans.

These will result in a loss for the fourth quarter of between \$320 million and \$360 million and a reduction of annual profits from last year's \$741 million to between \$160 million and \$200 million.

PHILIP ROBINSON  
Los Angeles

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PRESENTS FROM DECEMBER 7TH TO 24TH

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## WORLD MARKETS

## Follow-through selling forces Dow lower

**New York**  
BLUE chip issues were under pressure but had risen from opening lows in modest early trading. Traders said early selling was a follow-through from Friday's weakness.

The Dow Jones industrial average rose 7.43 points lower to 2,582.67, after 2,575. Declining shares outpaced advancing issues by about two to one.

● Tokyo - The Nikkei index advanced 262.18 points to 23,784.67, after gaining 969.39 on Friday.

● Hong Kong - The Hang Seng index eased 14.56 points to 3,149.13.

● Singapore - The Straits Times industrial index fell 17.98 points to 1,179.87.

● Sydney - The All-Ordinaries index fell 6.1 points to 1,329.6.

● Frankfurt - The Dax index fell 8.04 to 1,504.80. (Reuters)

Dec 10 midday	Dec 7 close	Dec 10 midday	Dec 7 close	Dec 10 midday	Dec 7 close
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Abbott Lab	45%	44%	Enron	56%	57	Oryx Enrgy	41	40%
Aetna Life	38%	38%	Energy	22%	22%	Pac Ent	40	40%
Amersham	13%	13%	Envy	23%	23%	Pac Gas Elec	24	24%
Am Prods	54%	54%	Euron	49%	49%	Pac Telecom	45	45%
Amstar	25%	24%	Exxon	32%	32%	Pac Util	32	32%
Arco Inc	15%	19%	Facor Equip	32%	32%	PackSoft	22	21%
Alco Stand	33%	33%	Flt Norstar	12%	12%	Patl	35	35
Almad Signal	27	26%	Fluc	38%	37	Permacore	42	42%

Aluminum Co.	56%	56%	P&G	31%	30%	Parke & Hardy	23%	23%
Am Brands	38%	40%	Ford Motor	27%	27%	Pfizer	43%	40%
Am Cyanamid	52%	51%	FPL	28%	28%	Pennzoil	87	88%
Am EPC	28%	28%	Fit Chicago	19%	19%	Pepsico	26%	26%
Am General	29%	28%	Fit Int'l	24%	23%	Pfizer	79%	79%

Am Home	51%	51%	Fst Union	16%	15%	Prp's Pst	25%	25%
Am Ind	73%	73%	Gannett	35%	36	Prp's Csm	17%	17%
Am Medical	5%	5%	Gen Cinema	18%	19%	Prp's Mms	50%	49%
Am Stores	54%	64%	Gen Elec	57%	57%	Prp's Dodge	54	54%
Amex	20%	21	Gen Mals	48%	47	Prp's Bow	37%	38%

Amstar Hosiery	48%	47%	Gen Motors	36%	36%	Pier Cosmetics	14%	14%
Ametek	68%	67%	Gen RLE	87%	85%	PNIC Food	23%	23
Ametek	22	21%	Gen Signal	34%	33%	Prindle Earth	11	11%
Amoco	50%	50%	Genitech	n/a	n/a	Polaroid	23%	23
AMP	44%	44%	Genzyme Pro	37%	37%	PRIAC Inc.	44%	43%

AMR	51%	52	George-Pac	37%	37%	Procter & Gamble	85%	85
Arthur-B	42%	42%	Exxon	63	60	Price	38%	38%
Apple Comp	41%	42%	Goodrich	36%	38%	Primedia	23%	24%
Archer-Dan	23%	23%	Goodyear	16%	16%	Pub Service	28%	28%
Art's	20%	20%	Grain	24%	24%	Public Serv	50%	51%

Armstrong	25%	26%	Grayhound	24%	24%	Ralston Purina	85%	100%
Asarco	26%	26%	Co. Atlantic	42%	43%	Raychem	31%	21%
Asphaltum Oil	23%	29%	Co. Western	11%	11	Raytheon	68%	88%
AT&T	29%	29%	GTE	26%	26%	Reebok	11%	17%
Aviation Fuel	25%	25%	Midwest	27%	27%	Reckitt	91%	91%

Acorn Computers	12%	12 1/2%	Hummer	8 1/2%	8 1/2%	Rockwell	28%	28%
Auto DP	53%	54%	Humz	35%	36%	Rockwell	28%	28%
Avary Int'l	19%	19%	Hercules	32	31%	Form Hatz	35	34%
Avion Prod	28%	28%	Hershey Pd	28%	38	Royal Dutch	77%	77%
Baltimore	28%	28%	Hewlett Pck	33	33	Rubbermaid	41%	41%

Bank One	25%	26%	Wilson Mt	33%	33%	Hyndes Mt	54%	53%
BankAmerica	24%	23%	Home Depot	38%	37%	Safeco	32%	33%
Bard	17%	16%	Homecrake	16%	15	Salomon	25	24%
Barnett Bk	21%	21%	Honeywell	85%	84%	Sci Fi Pk	8%	6%
Beauch Unit	85%	85%	Houston Mt	36%	36	Sara Lee	32%	32

Porter Inc.	26%	27%	Hsien Inc.	31	30%	Schoen	38%	39
Bac Dicks	76%	75%	Huamie	44	43%	Schlumberger	55%	54%
Bell Allen	56%	55%	IBM	113%	112%	Sich-Pign	48%	46
Borouss	58	54%	IFAF	73%	75%	Socot Paper	37%	37%
Br. Huamie	28%	26%	Binole TW	48%	47%	Socotran	58%	58%

Black Decker	10 1/2	10 1/2	Irwin	26 1/2	26	Sears Rbk	25 1/2	25 1/2
Black	44 1/2	44 1/2	Ingersoll-Rand	37	37 1/2	Security Pac	27 1/2	27 1/2
Brinks Trs NY	43 1/2	42	Inland Steel	24 1/2	24 1/2	Shaw-Welch	38 1/2	38 1/2
Boeing	44 1/2	44 1/2	Int'l	38 1/2	37 1/2	Skylark	14 1/2	14
Boysen	26 1/2	26 1/2	Int'l Gruner	5 1/2	5 1/2	Snap-on Tls	9 1/2	9 1/2

The Engineering Council   P. Walker, R. S. Wilson, M. L. Williams, R. F. G.   Phoenix, P. N. Sanderson, C. W. Sand, Michael, J. H. Mills, D. J. Mobley, D.   Harrison, I. Hart, T. F. W. Hart, C. J.   Perkins, J. D. Edgar, J. R. Evans, G. R.   Institute of Plumbing   Institution of Gas Engineers

<p><b>Institute of Plumbing</b> R A Campbell</p> <p><b>Institute of Road Transport Engineers</b> A C Steadman; A Chahinoff; F G Darwin; J Deans; A Holmes; R J Lee; B Parker; A Pinner; K H Wain; G Woodall</p>	<p><b>Institution of Gas Engineers</b> M J Dickinson; S B Fallowes; R Holroyd; J V Lockhart; P S Longhurst; S B McDonald; A D N McLean; H S Moore; P Scott; SM; K G Taylor; A J Thompson; G M Walcott</p> <p><b>Institution of Incorporated Executive Engineers</b> N C Alexander; R Brown; F Burns; S</p>
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<b>Institution of Agricultural Engineers</b> <b>M. G. Fraser</b>	<b>D. Fisher; P. Flack; S. Flockton; R. A. Hobbs; C. W. Hodgson; V. K. Manthey; G. Morris; P. T. Munson; J. R. Searford; R. Schwenker; P. T. Slater; M. J. Stevenson; K. D. Williams; L. Woods</b>
<b>Institution of Chemical Engineers</b> <b>P. J. Cresswell; M. R. Davies; J. S. Higgins; P. D. Jones; P. F. Kessighan</b>	<b>Institution of Lighting Engineers</b> <b>J. H. Knotter; G. A. Morakuyro; D. A. Slater</b>
<b>Institution of Civil Engineers</b> <b>S. J. Anderson; J. R. Auld; A. B. Baker;</b>	<b>Institution of Mechanical Engineers</b>

[illegible][illegible]

**Institution of Electronics  
and Electrical Incorporated  
Engineers**

M Abdulhussein I M Allan K W  
Angus S D Armstrong P J N Aston P  
Baker C B Baker R A Baker G E  
Bates C J Banister O Baxter D L  
Beasley W A Bennett M B Black  
N B Barnes G Born S E Jarvis  
C B Blythe J H Boothby J Briggs  
Byrne S G Byrne P T Caffrey  
Callaghan J Carruthers H C Chan  
Chapman J Chappell C Chappell

Hayward G R Reynolds  
W Reynolds A Reynolds W  
Seymour N J Sharpes A M Shaw D  
Shore B J Silk M G R Smith A J  
Stewart J Stewart J B Thompson  
Tucker D Turner R West  
Wemyss S J Wherry J P Winfield  
J H Withers C M Wong G Wood T  
H Yu

**Institution of Mining Electrical  
and Mining Mechanical  
Engineers**

[illegible][illegible][illegible]

**Royal Aeronautical Society**

M Armstrong; A Bennett; L J Daves;  
G J Delahay; A W Ditchburn; A J  
Dunn; G J Edwards; G Hearn; J A  
Hargreaves; T J Heath; W M Hodson;  
G C Hopkins; D S Huntley; J G Lally;  
R L Latham; J L Mitchell; M A  
Parker; W T Pervers; S Hameed;  
Scott; L Scott; Jones; B E Short; M I  
Spence; C Volney; N A Wade; K J  
Wells

<b>Designers</b>	<b>Royal Institution of Naval Architects</b>
Q A C Barner: P I Biddulph: S C	
Standford: R Bowles: F T Brumby: D	
J Galsger: D J Crothers: W Curwen:	G George: C Young
M R Daniels: P J Deacon: D J Green:	<b>Welding Institute</b>
M J Harrington: P J Hawkes: G G	



# THE 12 REGIONAL ELECTRICITY COMPANIES SHARE OFFERS ALLOCATION ANNOUNCEMENT

## Offers for Sale

by  
**Kleinwort Benson Limited**

on behalf of  
**The Secretary of State for Energy**

Each of the Offers for Sale has been over-subscribed and the maximum number of shares has been recalled from the Overseas Offers and from institutional investors. Valid applications will be met as set out in the following tables. See note 1 below.

### DEALINGS

Dealings are expected to commence in London at 2.30 p.m. on Tuesday, 11th December 1990. The combination of the unprecedented number of applications and the bad weather means that the posting of some interim certificates may be delayed. Every effort will be made to post documents before Christmas. Applicants who wish to sell before they have received an interim certificate will only be able to do so if they make arrangements to deal on this basis. Applicants who deal before receipt of an interim certificate will do so at the risk of selling shares for which they have not received an allocation.

Eastern Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	100
500	100	100
600	100	Nil
700	100	Nil
800	100	Nil
900	150	Nil
1,000	150	Nil
1,500	150	Nil
2,000	200	Nil
2,500	300	Nil
3,000 and above	Nil	Nil

Manweb plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	Nil
300	100	Nil
400	100	Nil
500	100	Nil
600	150	Nil
700	150	Nil
800	150	Nil
900	200	Nil
1,000	200	Nil
1,500	250	Nil
2,000	250	Nil
2,500	300	Nil
3,000	300	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

NORWEB plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	Nil
400	100	Nil
500	100	Nil
600	100	Nil
700	150	Nil
800	150	Nil
900	150	Nil
1,000	150	Nil
1,500	200	Nil
2,000	200	Nil
2,500	250	Nil
3,000 and above	Nil	Nil

South Wales Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	Nil
300	100	Nil
400	150	Nil
500	150	Nil
600	200	Nil
700	200	Nil
800	200	Nil
900	250	Nil
1,000	300	Nil
1,500	300	Nil
2,000	400	Nil
2,500	400	Nil
3,000	500	Nil
4,000	500	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

East Midlands Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	100
500	100	100
600	100	100
700	150	100
800	150	Nil
900	150	Nil
1,000	150	Nil
1,500	200	Nil
2,000	200	Nil
2,500	250	Nil
3,000 and above	Nil	Nil

Midlands Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	100
500	100	Nil
600	100	Nil
700	150	Nil
800	200	Nil
900	200	Nil
1,000	200	Nil
1,500	200	Nil
2,000	250	Nil
2,500	250	Nil
3,000	300	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

SEEBOARD plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	90
200	100	Nil
300	100	Nil
400	100	Nil
500	100	Nil
600	100	Nil
700	100	Nil
800	100	Nil
900	100	Nil
1,000	100	Nil
1,500 and above	Nil	Nil

South Western Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	Nil
300	100	Nil
400	100	Nil
500	100	Nil
600	100	Nil
700	150	Nil
800	150	Nil
900	150	Nil
1,000	150	Nil
1,500	200	Nil
2,000	250	Nil
2,500	300	Nil
3,000	400	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

London Electricity plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	100
500	100	100
600	100	100
700	100	100
800	100	100
900	150	100
1,000	150	100
1,500	150	Nil
2,000	200	Nil
2,500	250	Nil
3,000	300	Nil
4,000 and above	Nil	Nil

Northern Electric plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	Nil
300	100	Nil
400	150	Nil
500	200	Nil
600	250	Nil
700	250	Nil
800	250	Nil
900	300	Nil
1,000	300	Nil
1,500	300	Nil
2,000	300	Nil
2,500	400	Nil
3,000	400	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

Southern Electric plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	100
500	100	100
600	150	100
700	150	100
800	150	100
900	150	100
1,000	150	100
1,500	200	150
2,000	200	Nil
2,500	250	Nil
3,000	300	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

Yorkshire Electricity Group plc		
Shares applied for	Shares allocated to	
	customers receiving preference	other applicants
100	100	100
200	100	100
300	100	100
400	100	Nil
500	100	Nil
600	150	Nil
700	150	Nil
800	150	Nil
900	150	Nil
1,000	200	Nil
1,500	250	Nil
2,000	250	Nil
2,500	300	Nil
3,000	300	Nil
4,000	400	Nil
5,000	500	Nil
10,000 and above	Nil	Nil

Note 1: Allocations have been made in full in respect of valid applications by eligible employees and pensioners of the Regional Electricity Companies, The National Grid Company plc and Electricity Association Services Limited under the Free and Matching Offers and up to the applicable priority limits under the Discount and Priority and Pensioner Priority Offers, subject to a maximum allocation of 5,400 shares in respect of South Western Electricity plc. Customers receiving preference are eligible customers for whom a benefit valid application was made for electricity vouchers or the customer share bonus together with, in either case, customer preference. The Secretary of State has authorised voucher endorsements of £27 and £45 in respect of eligible customers who chose vouchers and who have been allocated 150 and 250 shares respectively. References to applications are to applications which have not been rejected. All allocations are subject to the terms and conditions set out in the Prospectus dated 21st November, 1990 and in the Mini Prospectus.

Issued by H.M. Government and approved by Kleinwort Benson Limited, a member of TSA and financial adviser to H.M. Government for the electricity privatisation in England and Wales. The value of shares can go down as well as up. If you need advice, consult an appropriate professional adviser.











# Making the most of world assets

Custodians are investing multi-millions to corner a share of the market for handling clients' global funds, Neil Bennett writes

After decades in the obscurity of the back office, global custody has come of age. The process of safekeeping clients' overseas shareholdings, processing dividends and reclaiming tax payments was once viewed by banks as a tiresome necessity to attract more exciting and more profitable business.

Today, global custody has become an important profit centre in its own right. Banks around the world are investing tens of millions of pounds to try to corner a share of that market.

Global custody is the mastery of the mundane. It is practically, and often legally, impossible for investing institutions to hold shares directly in foreign markets. The intricacies of Italian taxation, Portuguese stock settlement or Thai exchange controls make it necessary for an institution to farm out the administration of its portfolio to a third party: a custodian bank.

The custodian's role is straightforward but littered with pitfalls. When the institution buys shares in a company, it must ensure the stock is paid for in local currency and delivered. After that, it must collect regular dividends, reclaim any tax payments and convert them to the investor's original currency. A single mistake can not only cost thousands but lose clients. Settlements and foreign exchange can be delayed for months, while rates grow less favourable. Dividend payments and tax reclamations can go astray. The failure to notice a stock split or a rights issue could lead to the disenfranchisement of an institution's shares.

Banks operate their global network through a chain of so-called sub-agents in each domestic market. These are banks themselves, and are normally chosen either because they are a branch of the main custodian or a leading participant in the local market. Today, most large custodians have agents or branches in more than 30 countries. The process was

originally known as international stock settlement and administration, and while international fund movement remained a fraction of domestic investment, it was typically a loss-making offshoot of mainstream custodian activities.

The introduction of the Employee Retirement Income Security Act legislation in the United States in 1974 provided a catalyst for growth. This demanded the mandatory appointment of a third-party custodian to safeguard pension-fund holdings.

Chase Manhattan understood the implications of this, coupled with the growing demand for overseas investment. It rebranded its settlement and administration business as global custody, and started to market the operation aggressively.

Today, Chase may have been forced to cut its dividend and start a world-wide redundancy programme after suffering property losses in America, but it is still the undisputed leader in global custody with an estimated \$112 billion under management. It has kept its lead with a \$95 million technology investment and relentless innovation.

The desperate search for profits in the overcrowded global banking industry has, however, forced many of Chase's rivals to notice the potential of global custody. In America, both Citicorp and State Street now have managed assets of more than \$60 billion, while Barclays and Midland in Britain have succeeded in winning business after a slow start.

Industry watchers find it difficult to chart the extent of the custody industry because any figures released by banks contain some double-counting. All banks use a network of sub-agents to manage their clients' portfolios in overseas markets, so the same holding can be included in two companies' totals.

A recent survey by Equity International estimated that custodians now administer assets worth up to \$800 billion. The



Fast moving: custodians must watch the world markets, such as Singapore's international exchange

potential is just as great. The proportion of overseas holdings in American institutional pensions is still minimal compared to European funds, and custodians confidently predict that cross-border investment will continue to multiply in the next ten years.

For some banks, the growth has become necessary to justify their high investment in people and equipment. The number of entrants into global custody is remarkable considering the barriers. One custodian estimated that a bank would need to invest \$25 million to build a custody network from scratch, and could not begin to offer a service until it was represented in 18 countries.

Alan Trager, president of Morgan Stanley's global custody services, estimates that a bank now needs to manage funds of between \$10 and \$15 billion to be profitable.

Each new entrant has put another turn on the competitive screw. In the past three years, global custody has been transformed into a buyers' market, and fund managers now complain about the barrage of marketing with which they must cope. "I get these guys wearing my carpet out," says Roy Bell, the securities administration manager of Postel, the Post Office pension fund. The industry has now even spawned its

own glossy magazine, *Global Custodian*.

The competition has reduced and simplified prices and improved services. "Fees have declined by 50 per cent since 1988," says Mr Trager, "from between 15 and 20 basis points to between 8 and 12 points today. Clients have also been offered more functions for their portfolio."

Pricing has become simpler. Originally custodians would charge a complex fee, based on the size of the fund, the countries it was held in and the frequency of transactions. They would also pass on sub-agent fees, which would all fall on separate dates and leave the institution with a trail of paperwork. Under pressure, this has evolved in most cases to a single quarterly charge. Barclays is offering each client a flat global tariff, tailored to the client's own fund.

Service improvements have included a rapid advance in technology. The days when custodians communicated by fax and telex are ending. The modern fund manager demands a direct link into his or her company's mainframe or personal computer. This can inform him of dividends or corporate actions, such as stock splitting or rights issues, immediately. It also gives him round-the-

clock access to his portfolio and valuations. Settlement reliability has also vastly improved in most countries. In 1986, the settlement crisis in Italy had grown so bad that the authorities cancelled the official settlement day three times. As many as a quarter of bargains were going astray. Today, most custodians have total reconciliation in their Italian holdings.

Most custodians also now offer contractual settlement guarantees. These guarantee the customer that a share bargain will be settled on a given day. If the trade fails, the custodian has to sort it out and suffer the loss. Previously, the institution was forced to pay the penalties of the custodian's mistakes. Some custodians are now extending the same guarantees to dividend payments.

Despite the predictions of continued growth, custodians agree that the competition will remain fierce. All are looking for the edge. The banks also agree there will be losers.

Faced with falling profits or losses, most western banks are looking for cuts. Some continental banks have already closed their London-based custody operations, and the next two years may see significantly larger casualties as banks realise that the returns do not, and never will, justify the costs.

## Information the key to profits

The number of banks offering the service in the past three years has almost doubled

If a bank ever thought global custody was a licence to print money, the events of the past four years have shattered its illusions. The banks have been confronted with a near-collapse in stockmarket systems, a stampede of new competitors and a subsequent slump in fees (Neil Bennett writes). All this has taken place against a background of continued heavy investment in technology and skilled staff.

Considering the barriers to entering the global custody market, it is surprising that the number of banks offering the service in the past three years has almost doubled to more than 50. Most people in the industry now expect to see failures. John Morris, the head of Citicorp's investor services, says: "Custody customers are looking for a real commitment. Investors recognise there has to be some shakeout."

Doug Reeve, the bank's manager of European custody services,

The size of an impending shakeout is still unclear. Some continental banks have pulled out of London, and future prospects are dependent on the continued expansion in cross-border investment. If the growth continues in double digits this decade, there will be ample room in the market for all the contestants. If it slows, there will be casualties.

Developments within the global custody industry also suggest that the largest players will be the long-term winners. The first factor is the continuing advances in world settlement systems. Eight recommendations by the Group of 30, a club of central and commercial banks set up to improve these systems, were prompted by the recognition that the bull market of 1986-7 had caused a near-collapse in many market systems. The proposals included the introduction of paperless settlement, the shift to a rolling three-day accounting period and pre-matching of all trade



Doug Reeve: warning

information to highlight discrepancies. The proposals have had wide-reaching effects. Many markets now operate paperless settlement, and others have plans under way for their introduction, among

them the London Stock Exchange with its proposed Taurus system. The world's stockmarkets' progress will be examined in the G30's progress report due later this month. The advent of paperless systems and rapid settlement is, however, forcing custodians to invest even further in systems. The days when a bank could admit to a client that one of his or her Italian bargains had failed, but it would muddle through somehow, are vanishing. Now that failure rates have fallen below 1 per cent in most markets, investors have come to expect near-perfect service, and they want more. Partly they want better technology, with round the clock access to their portfolios by a main computer link-up. But information is the key to success.

Mr Morris sees custodians acting as pathfinders in new markets. "We are in 40 markets today," he says, "but that could rise to 60 or 70 in a couple of years."

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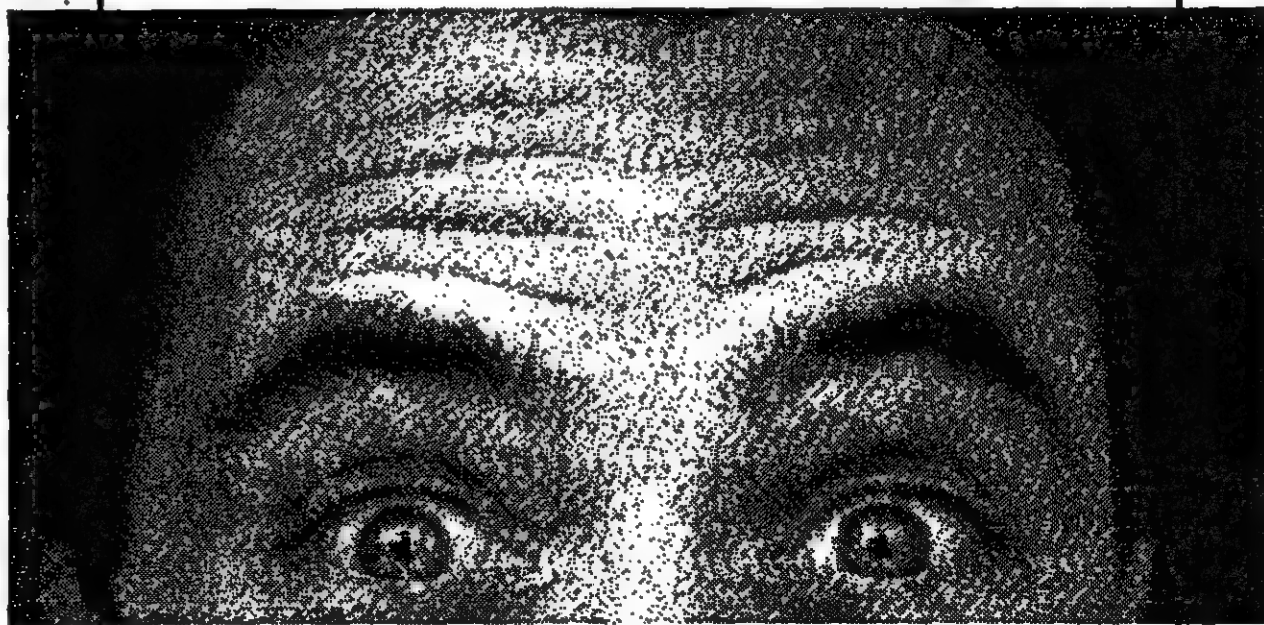
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# A boost for Britain's invisible earnings

In the right hands, stock lending is profitable for global custodians and their clients. The clients gain from extra interest returns on otherwise idle assets, and the custodians benefit from a share of the profits as payment for indemnifying clients against market and broker risk.

The market is composed, on the demand side, of securities houses, which act as market-makers and borrow stock when they need to cover short trading positions. Borrowers deposit non-cash collateral (usually certificates of deposit) to cover the period of the loan, for which they pay the lender a fee. The supply side is represented by custodian banks acting as intermediaries on behalf of their lending clients, typically institutional investors such as pension funds or insurance companies.

Recent years have seen an upsurge in demand for stock borrowing, fuelled by strong growth in the market for derivative products such as warrants, index futures and convertible bonds. Simon Lühr, the vice-president of Morgan Stanley, the international securities house, says: "We have always wanted to borrow securities, but had problems doing so because of lack of supply of loanable securities. What has changed is that global custodians have released pent-up liquidity by mobilising the invest-

**Stock lending is big business. In a leading centre such as London, transactions average £12 billion a day. David Rudnick reports**

ment resources of a pool of smaller clients who by themselves would be unable to act as lenders." Stock lending is big business, even in today's low-turnover market. In London, a leading world centre, an average £12 billion a day is estimated to be lent, about £5 billion of it on international transactions, which boost Britain's invisible earnings.

Stock lending is regulated by the Bank of England which, in the words of John Gubert, the head of markets development at Midland Bank, "has a vested interest in it, in as much as it advances the central bank's objective of improving market liquidity."

The bank chairs the stock borrowing and lending committee (SBLC), a body of borrowers, lenders and money brokers set up by the International Stock Exchange to examine ways to reform the somewhat restrictive regulations governing international stock lending.

The SBLC is under pressure to resolve legal doubts about the security of stock lending, which suddenly surfaced last month, causing a momentary stock market panic on November 19. The crisis, says Mr Lühr, "came out of

the woodwork" with the discovery a few weeks before of a loophole which created uncertainty over whether stock lenders have a secure legal claim on the collateral put up by borrowers, should they default or go insolvent.

The issue is a technical one, but it alarmed some investment institutions into beating a hasty, if temporary, retreat from the stock lending market, while jittery market makers frantically bought up stock as a protective hedge. The SBLC hastily restored order, urging financial institutions to go on lending until the issue is clarified.

Of longer-term importance is the vexed question raised by legislation passed last year, defining all securities held by United Kingdom institutions as UK securities for tax purposes, thus restricting their lending to authorised British money brokers.

This anomaly, Mr Lühr says, is a key factor inhibiting the expansion of stock lending. It has effectively kept out of the market the huge portfolio of foreign securities held by UK institutions, excluding them from the overseas stock lending market, with its more lucrative fees and much higher turnover. Mr Gubert believes that a

solution is near, extending UK lenders' right to lend, which should be operative by the end of the year.

"Traditioners are nevertheless disappointed at the time it is taking," he says. "But everyone agrees that the beneficiaries of their legislation are competitors based outside the UK."

Though less attended by controversy, foreign exchange management is another expanding service for custodians.

Jeffrey Ruzicka, who heads European institutional investment services for the Boston-based State Street Bank, says clients show increasing willingness to separate investment decisions from foreign exchange considerations.

"An individual may wish to buy Siemens stock, but think the Deutschemark has run its course on the upside. We are developing a product that enables a client to invest in foreign stocks without incurring currency risk."

Mr Ruzicka sees increasing profitability in foreign exchange and cash management, but it will be an increasingly scale-related activity, open only to big players. There is, meanwhile, growing client demand for custodians to develop sophisticated hedging instruments using currency options.

Short-selling and positioning vis à vis interest rate movements, and arbitrage programmes using derivatives are coming to the fore.



Simon Lühr, the vice-president of Morgan Stanley: Global custodians have released pent-up liquidity.

## Safe trading without tricks

**Special products and high technology may impress some clients, but good settlement procedures are still vital**

Global custodians like to sell their services on "glamour" products such as stock lending and perhaps foreign-exchange management. But the core of the business, says Colin Grimsey of Chase Manhattan Bank, which is the leading custodian, remains settlement and asset safe-keeping.

The recent enormous expansion of international investment and assets has strained the capacity of many growth markets to provide efficient settlement procedures (David Rudnick writes). Trading volume has often advanced beyond their ability to cope with the growing number of transactions. Settling their clients' trades is the custodians' most basic, bread and butter job.

Clients are more interested in good service in this essential area than in the fancy technological tricks and expensive sophisticated products that some custodians have developed in a competitive effort to differentiate their products from those of their rivals.

Custodian banks like a challenge. David Miller, the head of client relations of Midland Bank Securities, says: "Safe-keeping is straightforward. Reporting is what separates the men from the boys. Most custodians confine their reporting to two currencies: the base, resident currency and the native, locally invested currency. But multi-currency reporting is more complex, involving levels of refinement of computer design which only the most modern system can offer." So small-scale custodians should beware.

The collection and delivery of clients' dividends has become a standard custodial service. John Morris, of Citibank, says standards of promptness have improved, but "clients are becoming more demanding, wanting their dividends posted to their account as near as possible to the income payment. The cash-flow impact on a large investor client can amount to half a million pounds a day."

A number of custodian banks offer a facility introduced by Chase, called contractual income policy. CIP automatically credits a client within a set period, usually a couple of days, after dividend payment falls due. So even if a sub-custodian delays transfer of income to the custodian, the client is credited promptly.

When several of a custodian's clients hold shares in the same company, the common practice when dividends are due is to credit the cash to an omnibus account run by the custodian bank, then distribute it to the multitude of

Mr Morris says, "offers economies of scale where, for example, 50 UK clients are all investing in a single country and the size of each individual portfolio may be small as a percentage of the total allocation."

After a dividend has been paid, the custodian may need to initiate a tax reclaim for the client. Looking after a client's tax requirements can be a demanding task.

Questions to be resolved may include: who exactly is the beneficial asset owner—the company or underlying shareholders? Is it domestic or offshore money? Might the client have tax-exempt status? Are dual-tax treaties involved? "As more people invest internationally, this is becoming an exponential issue," Mr Miller says. "And the world is dynamic. Tax regimes change."

How often a tax reclaim has to be made for a client will depend partly on his or her preference and partly on his exposure to a particular market. If a client has a hefty portion of his assets at stake, he will normally want a more frequent reclamation service than if he has invested only a few lines of stock. Mr Morris says: "It is a function of the size of a client's portfolio. For a major institution, it may be as frequent as two weeks, while for small portfolios quarterly intervals may suffice."

The dividend rate is another factor. In Japan, Mr Morris says, dividend rates tend to be low, and so tax-reclamation activity is low. In contrast, the United States has higher dividend rates, the United Kingdom higher still.

Tax-withholding treaties may further complicate matters. The emergence of offshore financial centres around Europe is creating opportunities for custodians to offer consultancy services.

It is not easy to find qualified staff able to handle the tax complications. Mr Miller adds: "People with knowledge of cross-border tax issues are a rare and valuable commodity."

Another key custodial service is to notify clients of corporate actions affecting their investment interests. When a company plans a rights issue, board changes, or to involve itself in a takeover bid, clients must be notified immediately of the details and the time in which they need to respond.

Clients often have voting or proxy voting rights in these cases, but the custodian's main concern is to ensure, so far as he can, that his client does not miss a profitable deal.

Failure to notify a client normally makes the custodian liable to indemnify him for



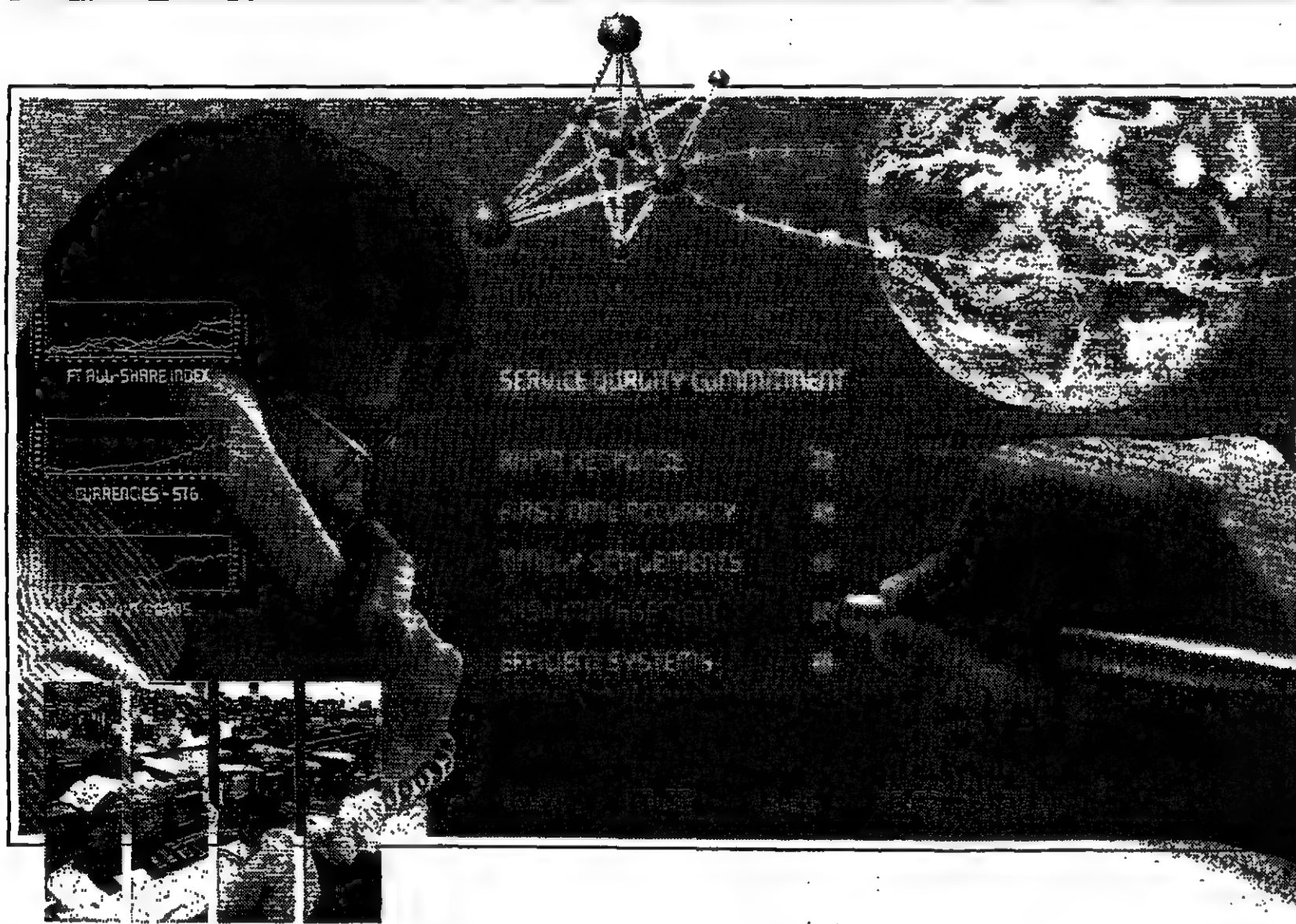
**'Safe-keeping is straightforward. Reporting is what separates the men from the boys'**

DAVID MILLER  
Midland Bank Securities

standards of promptness have improved, but "clients are becoming more demanding, wanting their dividends posted to their account as near as possible to the income payment. The cash-flow impact on a large investor client can amount to half a million pounds a day."

A number of custodian banks offer a facility introduced by Chase, called contractual income policy. CIP automatically credits a client within a set period, usually a couple of days, after dividend payment falls due. So even if a sub-custodian delays transfer of income to the custodian, the client is credited promptly.

When several of a custodian's clients hold shares in the same company, the common practice when dividends are due is to credit the cash to an omnibus account run by the custodian bank, then distribute it to the multitude of



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THE beneficiaries of the competition between global custodians have been the investing institutions. They command a far higher level of service than they did three years ago (Neil Bennett writes). Yet some managers remain distinctly unimpressed with the service they receive.

The City is now the focus of the struggle between global custodians. The ERISA legislation in the United States has made the appointment of a third-party custodian mandatory. The pension funds often hand their business to the bank which has managed their domestic custody for decades.

## Looking for service with more than a smile

British fund managers, by contrast, are free to administer their own portfolios, and appoint sub-custodian banks in each market. It is only if the work becomes too costly, unmanageable or unreliable that they decide to appoint a full custodian for their entire international portfolio.

Invesco MIM, the former MIM Britannia, decided to appoint a custodian for the international portion of its £12 billion British

fund, and has seen the full spectrum of what is on offer. "We are looking for four basic things," says Ratan Engineer, the finance director. "One is clearly technology. First, we want a single mainframe link between us and the custodian at any time, day or night. Second, we want contractual settlement to guarantee the value of our transactions. The successful bank must also have a large network. The last key is

price. Most of the banks are trying to give us as near to a fixed price contract as possible." The winner will be chosen this month.

Invesco decided to appoint a global custodian when it became clear it would be cheaper than administering the portfolio itself. But not every institution is convinced of the benefits. Mercury Asset Management, which manages an international portfolio of more than £6 billion, has decided

to manage its own custodian network. "It is far more cost-effective," Gordon Lindsay, a director, says. Mercury did look at appointing an overall custodian. But it could not find one to manage more than 100 customer accounts individually.

Morgan Grenfell is one of the most experienced custodian users. It deals with more than 40, both direct and as agents for its institutional clients. On the whole,

it is far from satisfied. "There is a lot of glossy public relations from banks," says Alastair Reid, a director of Morgan Grenfell Asset Management. "But there is little substance to it." He believes fund managers should be free to appoint their own custodians rather than deal with banks appointed by the investor. These, he says, often give incomplete valuations to the clients which can leave the blame for underperformance with the

manager rather than admit the custodian's own mistakes.

Managers are becoming edgy about the credit-worthiness of some of the American global custodians. The customers' eye view of the custodians is surprisingly similar. All believe the American banks still have the edge, but that the British have closed the gap considerably.

Managers also believe that fees will continue to fall, and there will be casualties. "There are so many people throwing so much capacity at the market, it is going to be another estate agency, or Third World debt," Mr Reid says.

## Transatlantic bid for business



David Watson: quality

From the earliest days when Chase Manhattan coined the term global custody, the industry has been the United States banks' backyard. It was US marketing that first brought global custody into the limelight, while the vast American pension funds provided captive business.

In the past few years, however, they have begun to be challenged by overseas competition. The Bank of Tokyo is believed to be the second largest global custodian in the world, although it is relying on the business from the Japanese institutions.

The British meanwhile have been rebranding their stock administration departments and investing to bring them

British custodians are to fight the US on its own doorstep, Neil Bennett says

into the Nineties. Barclays and Midland, for example, both believe they have the systems to compete with the best of the Americans.

David Watson, the senior manager of Lloyds Bank global custody, feels the transatlantic struggle keenly. "The Americans have geared up on advanced technology. But we rely on quality of service and experienced staff. This is a relationship business."

Until now, banks have tended to win global custody business in their own country, with the Americans poaching some due to their strength. This has prevented many con-

tinental European banks, such as the Swiss, from expanding, since their domestic investment base was too small to provide the mass needed for profitable global custody.

The American banks, too, will soon be challenged on their own turf. Midland is negotiating links with regional banks in America to sell its global custody in that country.

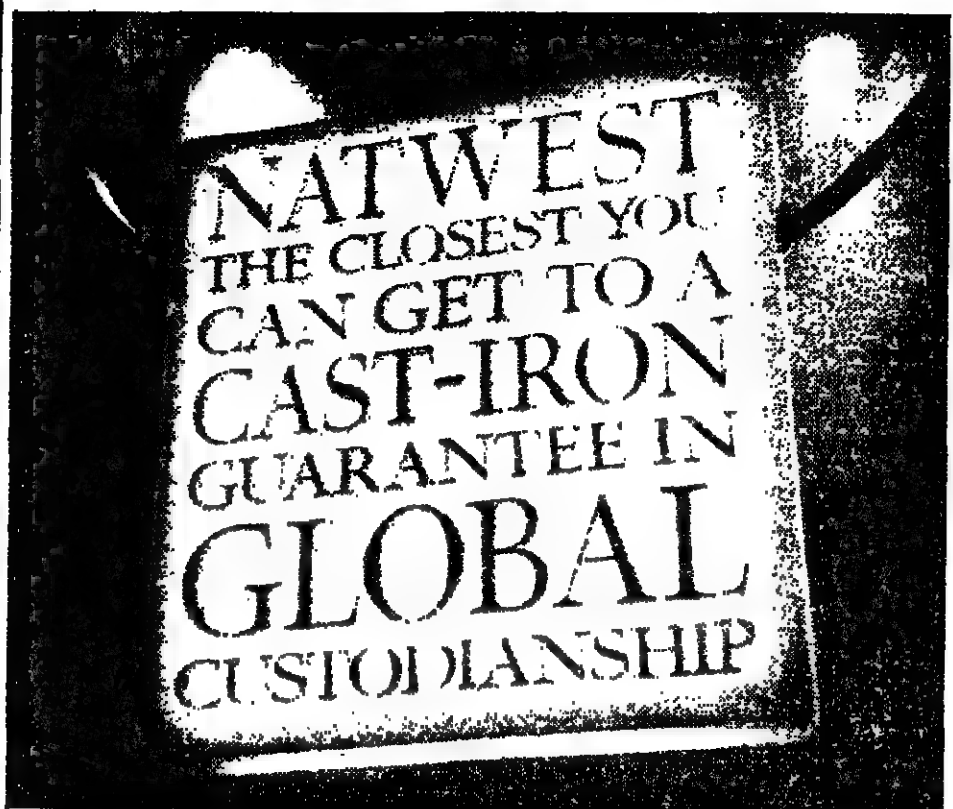
Custodian banks are also faced with the need to maintain and expand their global network. The sub-agents in each local market determine the success of any custodian work. Investors continue to demand entry into promising

markets. Many large custodians have recently been appointing sub-agents in Turkey and Thailand and they are ready for the day when their customers demand a place in eastern Europe.

Midland Bank has one of the largest networks, stretching across 48 countries. This includes truly speculative centres such as Brazil and Argentina, and areas such as Bangladesh. The bank is blessed with a close relationship with the Hongkong & Shanghai Bank, and uses it as a sub-agent in six countries, while Midland itself is well established on the Continent.

The hot debate among custodians is whether to use a bank's own branches abroad as sub-agents, or whether to choose the dominant local institutions. Among the British, Barclays is proud that it uses its own branches in 16 countries. "Very few US banks have this sort of international network," says Alex Tweedie, the head of Barclays custody business. "People are sensitive about our triple-A credit rating as a bank."

Global custodians and the upsurge of cross-border investment that they tend are largely responsible for the development of settlement systems in most of the world's main stockmarkets. The bull market of 1986-87 exposed problems in Italy and Spain, where failed settlement rates grew as high as one in five. Since then, paperless settlement in Paris, New York and Copenhagen has driven down failure rates and costs. Similar systems are being developed in Hong Kong, Australia and Tokyo. In the City, custodians and institutional investors are awaiting the launch of Taurus, the Stock Exchange's paperless settlement operation.



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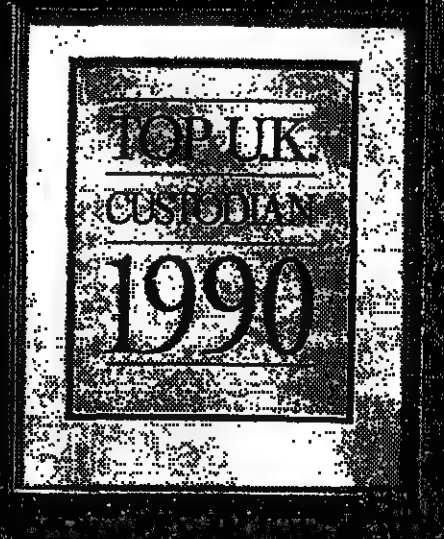
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# Job satisfaction wins the vote

What will lawyers want in the next ten years? Edward Fennell finds a startling answer with which to start the millennium

As we enter the season of punditry, the moment is right to ask how lawyers see themselves in ten years' time. Will they be largely ensconced in Europe, or part of global multidisciplinary practices? Alternatively, perhaps they assume that legal life will just go on in the same way for ever, with constant but ineffective demands for reform.

Some answers may be found in a survey of lawyers' expectations of the year 2000, released by *The Times* this week by recruitment consultants Badenoch & Clark.

Perhaps the most striking finding is that eight out of ten lawyers surveyed say that by 2000 they expect to be regarding job satisfaction as their top priority. This is a startling figure because it towers over all the other factors, including money (8 per cent), status (2 per cent), and the opportunity to travel (1 per cent), which are normally considered to appeal to new graduates when they join the profession.

Like most statistical surveys, this is open to interpretation. The findings could mean that, ten years hence, most young lawyers expect to have already obtained as much money and status as they need and that by then their concerns will have shifted elsewhere.

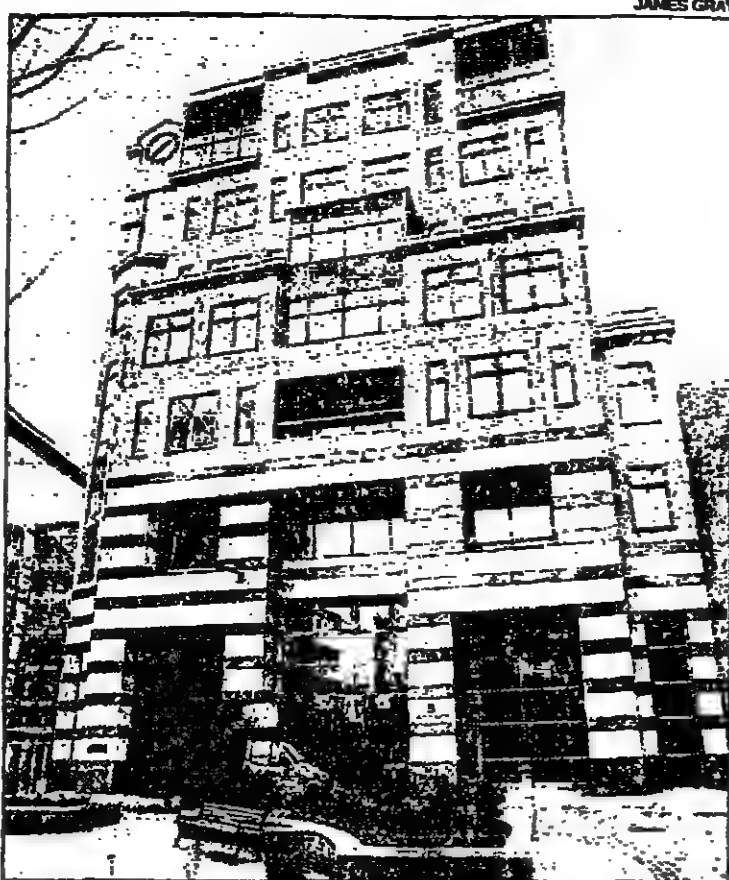
Alternatively, they may reveal that what lawyers supposed to be the "good life" has turned sour and that what matters to them is

satisfaction at work. Whatever the truth, most lawyers, unlike accountants, who are also surveyed, apparently see the future as being much like the past. For example, almost three times as many accountants as lawyers believe they will be working in a mixed professional practice by the end of the century, and although 30 per cent of accountants expect to spend a great deal of time travelling overseas, few lawyers do.

Rachel Caine, who was responsible for the survey at Badenoch & Clark, says: "With only 1 per cent citing an opportunity to travel as a critical factor in their new job and with 58 per cent of lawyers not expecting to work abroad for any length of time, it raises the question whether the legal profession will still be lagging behind other sectors in reacting to change."

Of course, caution is traditionally regarded as one of the lawyer's most important qualities, and in view of the intense difficulties experienced by some accountancy practices recently, the lawyers may feel justified in resisting revolution.

One of the few significant changes envisaged by most lawyers is in their role as business advisers. Two-thirds of the survey were convinced that in ten years their contribution to business will be more important than now. Certainly many firms project themselves as law-led strategic business advisers. On the face of it, the ethos



Two in one: law and accountancy firms such as Peat Marwick McLintock (above) could merge into vast mixed practices

of the lawyer is still far from that of the innovative entrepreneur. Business people may still accept that the lawyers' job is to apply the brakes to their wilder excesses, but they remain to be convinced that lawyers can also map-read the future for big

business. A large majority of lawyers, however, wish to continue in the cosy atmosphere of private practice. The American-style ambition to get to the top of the corporate framework from a legal base is still lacking in Britain. While



Rachel Caine: "still lagging?"

that outlook persists, clients may look with scepticism at lawyers' roles in business affairs.

What was clear to the lawyers surveyed was that the established system of training and qualification will change. "Articles can stay, but law firms must radically change," one participant said.

Do lawyers actually enjoy lawyering? The indications are that many of them do not, although the trappings of the legal lifestyle remain popular. Almost 10 per cent of the survey felt they would not remain in the law for the rest of their working lives, and many expected to spend no more than three years in a job during the next decade before moving on. As the economy slows down, it will be interesting to see whether that expectation is realised.

Copies of the report are available from Rachel Caine at Badenoch & Clark from the end of next week (071-383 0073).

## INNS AND OUTS

### Hooson's comeback

THE chambers of Lord Hooson, QC, at Dr Johnson's Buildings have been relaunched after the split in July when Geoffrey Robertson, QC, left with 30 other members and set up in a blaze of publicity and razzmatazz in Doughty Street.

Mike Essex, clerk to the Hooson chambers, admits the set recently had an intensive recruitment drive but it is back to strength. The emphasis of the chambers, known as the home of Rumpole because John Mortimer, though now a non-practising member, was there for many years, has shifted. "We are rather more criminal law-orientated than we were, and not quite so much civil liberties, as it was mainly the people doing that work who left," Mr Essex says.

Lord Hooson's team includes the QCs who stayed — Martin Thomas, Alex Carile and David Lederman — and a range of new juniors. The chambers are ready, Lord Hooson says, to "take on the full range of modern, common law work".

### Rights in Mind

THE Law Centres Federation, the umbrella body for law centres, has linked up with Mind, the national association for mental health, to seek funding to develop the use of advocacy in psychiatric services. The two bodies are jointly applying for funding from the Mental Health Foundation on behalf of the Nottingham advocacy group, an unusual project working with psychiatric patients and encouraging them to pursue their rights in care.

If successful, the application will pay for a skilled advocate to become attached to the project. Ian Byrnes, director of Mind, says: "People detained in psychiatric institutions are often most vulnerable to having their legal rights ignored or abused. They need accessible, expert and independent advice and assistance."

### Working at 90

ANNA Amphlett, a partner in Amphlett Chatterton, of southeast London, is no

ordinary solicitor. Admitted in 1925 and now 90 years old, she still goes to the office twice a week.

According to Theresa Grant Peterkin, a Withers partner and co-ordinator of the Association of Women Solicitors' "archives" project to collate historical information about women in the profession, Ms Amphlett is probably the longest-serving woman solicitor still surviving.

Mrs Grant Peterkin is sorting through some remarkable detail about the pioneer women solicitors of the Twenties and Thirties, assembled through interviews between association members and the profession's earliest women entrants.

A questionnaire forms the basis of the interviews and includes questions on education and university degrees, attitudes of women's schools to their careers, problems in obtaining articles and whether family connections helped. The premium paid for articles (about £300 in the Thirties), family attitudes to the women's careers and whether they ever experienced discrimination.

She says the interviews collected so far indicate that most of the women were almost irritated by the suggestion that there was anything special about them, and there are few signs of discrimination. She is glad to have begun the project while some of the earliest entrants to the profession are still living and hopes to have a book published on the subject.

### Law Fair 1991

THIS year's Law Fair in London attracted 5,070 students and graduates, who met 91 organisations from all branches of the legal profession. Visitors ranged from sixth-formers to undergraduates from all degree disciplines. 52 per cent from universities and 24 per cent from polytechnics.

Next year, the fair will be at the Business Design Centre on March 14 and 15, and will be organised by London University's careers advisory service with the Law Society, the General Council of the Bar and *The Times*. Interested employers should ring Vivien Charvonia on 071-387 8221.

SCRIVENOR

## Another hump in the road, but is it legal?

ALMOST all highways are dedicated to the public for their general use to pass over on foot, bicycle, horse, car or what you will, when you like. If it does not actually say so in Magna Carta, it is stated clearly enough in *Halsbury's Laws of England*: "A highway is a way over which there exists a public right of passage, that is to say, a right for all of Her Majesty's subjects, at all seasons of the year, freely and at their will to pass and re-pass without let or hindrance."

There is a general duty on the highway authority, usually the local council, to keep its highways in repair. Section 62 of the Highways Act 1980 also gives all authorities a general power to improve

their highways. But nobody could call road humps, springing up everywhere like a new and unpleasant disease, an improvement. The statute claimed as giving authority for road humps shows that the whole lot may always have been illegal. The local authorities may consequently be at risk on the ground that to obstruct a highway is actionable as a public nuisance.

It is not surprising that nobody has noticed this or sued a local authority for obstructing roads with humps. There would be a need to show some special damage.

Of course, everybody would expect a local authority to act under the authority of Parliament, no matter how mis-

guided it was in thinking that humps would result in improvement for anybody other than the residents of the road (who benefit from less traffic noise and more privacy).

Where I live on the outskirts of southwest London, the already too few, too narrow, badly repaired and worse constructed minor roads have been and are being encumbered with humps. In many roads, they appear at intervals of only a few yards, constructed like the Loch Ness Monster, so that my speed, in a rather low-slung car, is restricted to less than 10mph.

In a borough where the roads cannot maintain any reasonable flow of traffic at peak periods, the flow is

further reduced, at considerable expense, to the residents and to the frustration and fury of the overtaken, rarely considered motorists.

When I asked a council officer why, I was told it was all in the cause of road safety. If cars can move at only 8mph, of course there is less chance that they will collide with one another with serious effect. The statutory exception intended to protect authorities from the possibility of legal action is in a schedule of the Transport Act 1980, which provided for the first time:

"The Secretary of State may by regulations make such provision in relation to the construction and maintenance of road humps as appears to

him to be necessary or expedient in the interests of safety and the movement of traffic."

This is the licence given by Parliament to excuse a highway authority from an action for obstructing its highways. Surely, no secretary of state, thinking reasonably, could believe it to be necessary or expedient to place road humps in the interests of free movement of traffic.

Humps do no such thing. They also congest nearby roads with traffic wishing to avoid them. The act admits this in its next paragraph, emphasising the need to excuse what would otherwise be a highway obstruction. It states: "Where a road hump conforms to regulations under

paragraph 7... the road hump shall not be treated as constituting an obstruction to the highway but as part of the highway." Of course, it can conform only if it assists the flow of traffic. It never does. It may be that road humps have hidden virtues and qualities I have not dreamed of. If so, the official to whom I spoke did not know of them.

On the Continent they are a rarity. Perhaps this is because of some thought that money spent to ease the flow of traffic should be used to build more and better roads, rather than to obstruct existing ones.

DEREK WHEATLEY

The author is a practising barrister and a QC.

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From delicate international trade issues to sensitive environmental concerns, lawyers in the Government Legal Service face a wide range of unique challenges.

Many have the opportunity to work right at the centre of affairs, dealing with Parliamentary issues or providing advice to some of the brightest minds in government; others, handling litigation, will often find themselves involved in cases which hit the headlines. Many cases have important legal implications.

There are now opportunities in several departments for high-calibre lawyers, both experienced and newly qualified. The posts are mostly in London but there are also opportunities in Cardiff (Welsh Office), Birmingham (Office of Electricity Regulation), Sutton (Department of Social Security) and Taunton (Charity Commission).

Starting salaries are in the range £18,990 - £38,745, depending on experience. Posts outside London attract lower rates of pay. You will find that promotion within the Service is on the basis of personal ability and performance.

For further details and an application form (to be returned by 9 January 1991) write to the Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref: G576/91/L.

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## CHAMBERS &amp; PARTNERS

LONDON: 74 Long Lane, London EC1A 9ET MANCHESTER: 53 Princess Street, Manchester M2 4EQ

## A Profession or a Business?

The Thatcher years have certainly left their mark on the legal profession. Among firms large and small, there has been a deliberate effort to become more competitive, more cost-conscious, and - in a word - more businesslike. As a result, the question arises: is the legal profession still a profession, or is it becoming a business?

"What," some may ask, "is really the difference?" True, the mark of the professional is that he or she owes a duty to the client and puts the client's interests - if it comes to it - even above their own. But surely in business, too, the customer has to be treated well if the enterprise is to prosper? The customer, it could be said, receives better treatment than the professional client: the absence of professional restrictions ensures greater efficiency, better service, and lower costs.

An unacknowledged struggle is taking place within the legal profession between professional ethics and commercial profitability. I hear about this struggle from both candidates and clients. Candidates complain they are under so much pressure to maximise their billings that the service they give their clients suffers. Or they feel obliged to overestimate their chargeable time. The firms, on the other hand, complain that fee-earners lack commercial understanding. "They do not seem to appreciate the need to bill at least three times their earnings. They think they're there simply to provide a service." This struggle for the soul of the profession continues, but the businessman's philosophy is winning.

Michael Chambers

## INDUSTRY &amp; BANKING

## EUROPEAN LAWYER: SOUTH EAST

£245,000 + car  
Lawyer, qualified on the Continent, ideally with hi-tech experience, to join legal department of international group.

## SOLE LAWYER: NORTH LONDON

£35,000 + benefits  
Experienced commercial lawyer to join a major multinational as sole lawyer for the UK. Must be fluent in French.

## PRIVATE CLIENT PARTNERS

A certain movement is taking place in the private client world. We have several firms interested in expanding in this area.

## PRIVATE PRACTICE

**Construction Lawyer: West End**  
Contentious and non-contentious construction law plus general commercial lit. 1-4 yrs qual.

**Shipping Lawyer: City**  
Varied shipping lit: charterparty/bills of lading etc. Training given by this successful practice.

**Company/Commercial: Hampshire**  
Sole, 27-33, for early p'ship with a successful, profitable and expanding firm. £40,000 + car.

**Property Litigation: City**  
2-6 yrs qual. Leading firm. To handle lease disputes - hospitals to commercial/ind property.

**Civil Litigation: East Midlands**  
Major firm seeks 1-2 yrs qual solicitor for varied and interesting commercial litigation.

**Commercial Litigation: Oxon**  
Dynamic sole with 1-5 yrs' exp to join highly-regarded firm. Excellent partnership prospects.

## FINANCIAL SERVICES: CITY

Excellent salary  
Solicitor or barrister to join small management team of specialist financial services group to handle banking and finance work.

## ENERGY: LONDON

Excellent salary  
Exciting opportunity for young commercial lawyer to join a fast-growing independent energy company based in London.

## OPPORTUNITY IN SHIPPING: GREECE

Tax-free salary  
Opportunity for law graduate without previous shipping experience to join a team of management consultants to the shipping industry.

## Banking Law: City

Over 3 yrs qual solr. Project finance, MBOs, take-over finance, cross-border matters, etc.

**Pensions: West Yorkshire**  
Highly-regarded commercial firm seeks specialist with 3 yrs' min exp. £30,000 +

**Commercial Property: City**  
1-3 yrs qual. Thriving property practice: varied clientele. Young solicitor with initiative.

**Planning: Avon**  
Leading commercial firm seeks young assistant solicitor to join planning dept. £Aznac.

**Pensions Law: Birmingham**  
Well-known, flourishing practice seeks 1-3 yrs qual solr. High-quality work for major clients.

**Intellectual Property: Holborn**  
2-5 yrs qual. IP lawyer to join leading specialist practice. Some computer-related work.

London: 071 - 606 9371 (Fax: 071 - 600 1793) Manchester: 061 - 226 2122 (Fax: 061 - 226 2213)

## LONDON

**Tax**  
Highly profitable medium-sized practice with excellent City/institutional client base seeks senior tax lawyer for immediate partnership.

**Employment**  
Leading City firm with excellent employment group seeks further lawyer with not more than 3 years' ppe for a challenging mix of contentious and non-contentious employment work. Top salary and benefits.

**Private Client**  
Niche City firm with strong client base seeks senior Private Client lawyer to undertake mixture of tax, trusts and probate. Definite partnership prospects.

For further information in complete confidence, please contact Jonathan Macrae or Stephen Rodney (both qualified solicitors) on 071-405 6062 (071-354 3079 evenings/weekends) or write to them at Quarry Dougal Recruitment, 9 Brownlow Street, London WC1V 6JD.



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Legal Adviser  
Expanding North Sea Operator

Marathon Oil is a major international integrated oil and gas corporation with a strong and growing presence in the North Sea as operator of the Brae fields. Approval for the development of the East Brae field has recently been granted. We need a Senior Legal Adviser to join our committed team of legal professionals at our Head Office in London.

Your responsibilities will expose you to all legal aspects of the oil and gas business, from exploration and development to production. This will encompass both London corporate issues and Aberdeen operations, and liaising at a senior level with joint-venture partners and our colleagues in the U.S.

You should be a qualified Solicitor or Barrister with 4-5 years' Commercial Law and oil and gas experience and, ideally, knowledge

of licensing, unitisation, joint operating agreements, transportation, oil and gas sales and development contracts. Familiarity with Marine, Corporate and Tax Law would be advantageous. Beyond this, you should be flexible, motivated and an excellent communicator.

In return for your ambition and ability, we can offer a highly attractive salary and benefits package as well as the promise of a rewarding career working on large-scale, exciting projects that require your involvement from start to finish.

Please write with a full CV, to Mark Waters, Marathon Oil U.K. Ltd., Marathon House, 174 Marylebone Road, London NW1 5AL. Closing date for applications 11th January 1991.

Trainee  
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£12-£14K

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For further information and a brochure pack, please contact Delia Mordaunt at Capsticks, 77-83 Upper Richmond Road, London SW15 2TT. Telephone 081-780 2211.

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Opportunities in:  
The Midlands & The South

Birmingham	Milton Keynes	Bournemouth/Poole	Res Conv	C'ford/Woking	E. Kent
Prof Ind	to £27K	Civil Lit	£20K	£18K+	£19K
1-2 Lit	£27K	Co/Comm	£25K	£20K	£20K
Corp	£30K	Co/Comm	£25K	£20K	£20K
Comm Prop	£30K	Co/Comm	£30K	£20K	£20K
Construction	£27K	Co/Comm	£30K	£20K	£20K
Agrie Prop	£25K	Co/Comm	£30K	£20K	£20K
Pers Injury	£27K	Co/Comm	£30K	£20K	£20K
Debt Coll	£16K	Co/Comm	£30K	£20K	£20K
Probate	£20K	Co/Comm	£30K	£20K	£20K
Pensions	£20K	Co/Comm	£30K	£20K	£20K
Cerecary	£25K	Co/Comm	£30K	£20K	£20K
Civil Lit	£25K	Co/Comm	£30K	£20K	£20K
Senior Civil Lit	£30K	Co/Comm	£30K	£20K	£20K
Northampton	£25K	Co/Comm	£30K	£20K	£20K
Civil Lit	£25K	Co/Comm	£30K	£20K	£20K
Matrim	£25K	Co/Comm	£30K	£20K	£20K
Co/Comm	£30K	Co/Comm	£30K	£20K	£20K

For more details on any of the above appointments, or the wide range of other vacancies for Solicitors, which we hold on our files, please contact Simon Zagan or Simon Jackson on 071 242 6321 (fax: 071 831 7121), alternatively, write to us, enclosing your CV, at 75 Gray's Inn Road, London WC1N 8US.

## Personnel Resources



## PARIS FINANCE A UNIQUE CHALLENGE

Firmly established as a major force in the London finance market, our Client, one of the leading English legal practices, is now actively developing its Paris based banking and capital markets operation.

If you are an English qualified lawyer who combines thorough familiarity with the Paris financial market and a dynamic personality, this position represents a unique challenge with one of Europe's leading legal practices.

A key individual is required who, with the full support of the London office and resident French and English team, will service and develop further this aspect of the firm's practice.

The salary, benefits and partnership prospects will reflect the firm's commitment to this appointment.

For further information in complete confidence, please contact **Jonathan Macrae** on London 071-405 6062 (London 081-672 8340 evenings/weekends) or write to him at **Quarry Dougall Recruitment**, 9 Brownlow Street, London WC1V 6JD.



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## THE REALLY USEFUL GROUP PLC THE LEGAL TEAM

Undoubtedly one of the world's most successful companies in the field of copyright exploitation covering theatrical, record, film and TV production and publication, The Really Useful Group Plc is strategically expanding into the entertainment and leisure industries.

Central to the Group's restructuring is the appointment of two talented commercial lawyers both with entertainment and ideally music experience.

The senior adviser will have a minimum of six years' experience, and the more junior a minimum of two. Both will liaise closely with the Director of Legal & Business Affairs as well as the heads of the theatre, music, TV, record and merchandising divisions, advising on a broad range of commercial and intellectual property issues and taking an active negotiating role.

The positions both offer outstanding opportunities to join a young highly successful entertainment group, exciting career prospects and excellent remuneration packages.

For further information in complete confidence, please contact **Jonathan Macrae** on 071-405 6062 (081-672 8340 evenings/weekends) or write to him at **Quarry Dougall Recruitment**, 9 Brownlow Street, London WC1V 6JD.



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**PLANNING - EC4 to £38,000**  
Leading City firm requires sol with 1-yr+ planning exp/ce (gained preferably in p/practice) to join friendly & busy team. You will be acting for a broad range of clients and be involved in exciting new projects.

**EMPLOYMENT - WC1 Excellent**  
Ambitious Sol with 1-5 yrs relevant exp/ce to join expanding Employment Group to handle a mix of contentious & non-contentious wk, ranging from employee benefits to tax planning. Excellent prospects for the right candidate.

Contact Fiona Young on 071-439 1711 (or 081-692 5680 evenings and weekends) or write to her at **Graham Gill & Young** 44-46 Kingsway, London WC2

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**INDUSTRY to £35,000**  
High profile role for exp/ced contract lawyer to join small, very busy dept. You will work at Board level on high value contracts. Knowledge of company law & LP would be an advantage.

**INDUSTRY c£30,000**  
Asst legal adviser required for small highly specialised legal dept. You will be responsible for substantial prof. indemnity and risk management caseload; co. law exp/ce would be beneficial. You will also gain some Co.Sec exp/ce.

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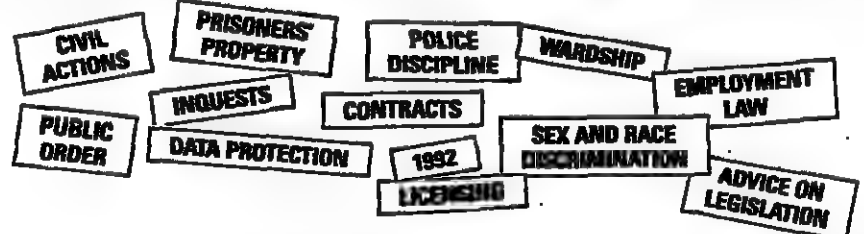
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And that's just a sample - you never know what's next.

Based at our modern office near New Scotland Yard, you'd start as a Legal Officer or Principal Legal Officer and depending on experience, could look forward to a salary of between £21,785 - £31,559 (inclusive of London Weighting). There's plenty to do, but evening and weekend working is rare.

Find out more - call Michelle Baker on 071-230 2398 for an application form.

Interviews will be held on 22 January 1991. Closing date for receipt of application forms is 14th January 1991.



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Effective legal advice is essential to our continuing success. You must, therefore be able to demonstrate the judgment and drafting skills that stem from a background within a commercial environment. This should be complemented by the ability to give accurate recommendations authoritatively, concisely and within set time constraints.

The rewards are commensurate with the importance of the role. So a highly competitive salary of c£30,000 will be augmented by an excellent package of benefits, including non-contributory pension, free life assurance, company car, free BUPA, mortgage subsidy (after qualifying period) and full relocation assistance where applicable.

To apply, please write enclosing a current C.V. to Jacinta Gillies, Personnel Department, London & Edinburgh Insurance Group, The Warren, Worthing, West Sussex BN14 9QD, or telephone our 24 hour onswitchphone service on (0903) 212508 for an application form. We are an Equal Opportunities Employer.

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Small, specialist institutional fund managers require young, energetic lawyer for general legal advice and to ensure compliance with UK and international regulation. Financial services experience and knowledge of current regulations an advantage. Competitive package depending on experience.

Please write with cv to:  
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ary and prospects. Law Person-  
nel - 071-242 1261 (24hrs).

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nity with progressive City firm  
in expanding departments for  
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Our client is a leading oil and gas company moving from strength to strength internationally. An exciting vacancy has arisen within its legal department for a young lawyer (under 30 years) with an excellent academic background (min 2:1) and 2-4 yrs PQE. The appointee will handle a broad range of both "upstream" and "downstream" commercial work with an emphasis on negotiation, drafting and vetting commercial contracts and international joint ventures. The position also involves some corporate work, including acquisitions and disposals. The ideal candidate will have previous oil and gas experience gained in either industry or in private practice but candidates with good company commercial experience will also be considered. This company also offers the opportunity both to travel and work abroad in the Far East, Middle East and USA.

For further information please  
call or write to Ian Pearce  
or Karen Mahill at



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26-28 Belfry Road,  
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Fax: 071-242 1411  
Eves: 071-858 7840

071-405 4571

## LEGAL ASSISTANT Position available early 1991

The London office of a leading multi-office American law firm requires a Legal Assistant in its International Corporate Department to handle corporate administrative work for multi-national clients.

Excellent communication and organizational skills, and the aptitude to work on your own initiative and directly with clients are prerequisites for this position.

Experience in a law firm or commercial/financial law department preferred but not essential. The position would suit a mature, bright individual with P.A., administrative or secretarial experience or a graduate wishing to gain commercial experience. Training as needed will be provided.

Salary negotiable; overtime may be required and is compensated. Private medical insurance and 4 weeks holiday. Attractive and congenial West End work environment. Please apply in writing with full details of work experience to Box 2230. All applications will be treated in confidence.

## COOLE AND HADDOCK

Top West Sussex firm with offices throughout the County seeks to strengthen and expand its litigation department.

The firm has a commercial bias and requires an assistant solicitor, one to three years qualified, for commercial litigation. Existing caseload including employment, consumer credit, landlord and tenant and contractual disputes.

In addition, we require an assistant solicitor one to three years qualified, who will in time head up the firm's matrimonial and family practice.

Prospects are excellent for a hard working and self motivated applicant. Remuneration is above average and will include pension scheme and annual bonus.

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## LEGAL APPOINTMENTS

071-481 4481

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PROPERTY LITIGATION  
SENIOR APPOINTMENT

Burges Salmon is one of the leading commercial firms in Bristol and the South West and is a member of the Norton Rose M5 Group.

The firm, undergoing continued expansion, seeks an experienced solicitor to join their thriving Property Litigation Department. The challenging range of work will relate to all aspects of contentious property law and, in particular, business tenancies and security enforcement.

Applicants should be solicitors with probably four years' or more qualified experience and a strong academic background. The successful candidate will be expected to contribute to management and supervision within the department.

A competitive salary and genuine prospects are on offer in one of the most attractive cities in the country.

For further information please call Paul Millward on 0272 226164 or write to him at Reuter Simkin Limited, Recruitment Consultants, Broad Street House, Broad Street, Bristol BS1 2HW.

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PARTNERS ET AL.

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The firm is currently looking to build on its success by strengthening the defendant side of its personal-injury practice. Experienced specialists in this field are therefore sought - or perhaps a team of specialists - either with a following or the ability rapidly to generate new instructions.

Opportunities exist both in the firm's established offices in central London and in the South West where additional premises are soon to be opened. Excellent rewards are offered in terms of both quality of work and remuneration. For the right candidates partnership will be shortly available.

For further information please telephone Philip Boynton, LL.B., LL.M., on 071-405 6852 or write to him at Reuter Simkin Limited, Recruitment Consultants, 5 Bream's Buildings, Chancery Lane, London EC4A 3DY.

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£ competitive

Outstanding solicitor with 2-4 years' pge required for the company/commercial department of this leading London practice. Superior academics and experience, together with interest and enthusiasm to meet the needs of this firm's wide variety of clients, are essential. An entrepreneurial individual with experience in Stock Exchange work, institutional funding arrangements, venture capital financing, mergers and acquisitions, management buy-outs and buy-ins, insolvency and business start-ups is required. Excellent quality of work and prospects.

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This busy section of large, thriving company/commercial department in City practice requires bright assistant solicitor with c.2 years' City experience to assist blue-chip clients. The work ranges from Eurobonds to capital markets to joint ventures. Need to be alert, keen and hard-working, for which the rewards are excellent.

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Amanda Prince - Permanent  
Sarah Jordan - Locum  
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Clare Tattersall - Manager

SOLICITORS  
LITIGATION AND  
COMMERCIAL  
PROPERTY  
NEW ZEALAND

Our client, a leading New Zealand law firm with offices in both Auckland and Wellington, is seeking solicitors to join their Auckland office. Vacancies exist for intermediate and senior solicitors in both their Litigation (including Industrial Relations) and Commercial Property Departments.

This is an opportunity to join a progressive team oriented firm with a commitment to ongoing training and career development. Support and in-house systems are second to none, salaries are at the top of the scale and prospects are good.

Ideal candidates will have a very sound academic record, proven technical abilities, highly developed interpersonal skills, a strong desire to succeed and high energy levels. Partners from the firm will be available to interview on 3rd or 4th January 1991. Applications close 17th December 1990.

For further information please apply in strict confidence to Ruth Foreman, Australasian Temp Company, Phone (071) 600-1709 or send resume and academic record to 4th Floor, 128-129 Cheapside, LONDON EC2V 6BT.

## MANAGER D.T.P. £18,000

Prestigious City law firm is seeking a Manager for their D.T.P. department. Supervising a small team, you will design and schedule production, liaise with senior staff/clients and write and produce reports. Age 25 plus, graduate calibre and in-depth knowledge & experience of VENTURA essential.

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The successful candidate will be used to a high level of responsibility and have proven leadership qualities as well as the ability to work as part of a team. Previous experience in a legal environment is essential and computer literacy would be an advantage.

A competitive salary is offered together with the opportunity to work in a dynamic and friendly practice providing the highest quality of work with the best available technical and administrative backup resources. If you would like to be considered for this challenging role, contact Michael Silver, a Solicitor.

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## City/West End

## COMMERCIAL PROPERTY PARTNER

A high profile and established practice committed to a programme of continuing expansion seeks a solicitor, already at partner level and with a portfolio of clients, for its well placed City office. The existing team handles a broad spectrum of property matters including sales and purchases of high value units, investment and development work and the property aspects of company/commercial transactions. The enthusiasm to contribute to the further development of this department is essential. This is an important new position leading to equity partnership.

## COMMERCIAL LITIGATION c.£40,000

There are openings for able and ambitious solicitors, admitted around two years, in the broadly based commercial litigation department of this prestigious City practice. A good academic record, with at least a class 2:1 degree, is a prerequisite. The caseload will embrace a wide range of commercial and contractual disputes which may include insurance and re-insurance, employment, professional negligence, construction, property and insolvency.

## Out of London

## PARIS

The Paris office of an internationally respected City practice seeks an additional young solicitor to handle a stimulating mixture of EC and company/commercial law. Fluent French, intellectual drive and the confidence to assume responsibility in this challenging environment will be important attributes.

## FRANCE

## SHIPPING

Prominent North of England practice requires a Shipping solicitor for primarily dry work. Ideally applicants will have up to 5 years pge. The successful applicant will enjoy a first class quality of life.

## £ ATTRACTIVE

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# Charting a career in the music industry

Thirty speculative job applications arrive on Sharon Mulrooney's desk every day. She is the personnel officer at CBS Records UK, and although these are quality applications, which she puts on file and consults when there is a vacancy, many are extremely unbusinesslike.

The record industry contributes to the invisible earnings of the UK balance of trade and is far from the candyfloss industry portrayed in the tabloid newspapers. It has picked itself up from the hard times of the early Eighties: singles sales are improving after a steady decline, and they remain a vital marketing medium for "breaking" new bands. The compact disc is booming and new formats — CD singles and cassette tape singles — hold promise. Companies are diversifying into video, film, television and theatre, and the strategy appears to be paying off. Record sales have not felt the slump quite as much as other retail sectors.

Record companies provide jobs for 9,000 people, half in manufacturing and distribution, the rest in marketing and administration. The industry is indirectly responsible for the employment of 50,000 people in related fields — 15,000 in record stores, 1,000 in recording studios, as well as producers, publishers and journalists.

The six leading record companies — Polygram, CBS, EMI, Virgin, WEA and BMG (RCS) — sell two-thirds of the industry's

**Working for a record company may sound like a glamorous job, but it is also extremely competitive, requires dedication, and must be backed by a sound business sense.**

**Derek Morgan says**

output. High-flying business types aim to succeed make it with a large company, although independent companies take a significant slice of the market.

Ms Mulrooney says CBS is keen to promote internally, but for most entry-level jobs, for example in promotion and sales, "we would look for people from a smaller label. You have to have the contacts." She came to CBS after two years in hotel personnel management.

Foot-in-the-door jobs as a way in can work, but she recommends a realistic approach. "People do make it from secretary to head of the press office, but they are exceptional cases," she says. "You have to develop other skills to get promoted."

"Being articulate and able to

present yourself is important. It is an image business and you have to be able to sell the product, whether to your colleagues or to journalists."

Although casual dress may be acceptable once you are employed, formal wear is recommended for job interviews and when meeting clients.

The rock business inevitably has glamour, but Ms Mulrooney stresses the need for commitment. "A lot of work is outside normal working hours. You could be up until 2am, but you need to be back at your desk at 9.30am. The laid-back image is deceptive. It is a ruthless, hard-working industry and 'business' is the key word."

Malcolm Buckland, the general manager at the independent Rough Trade Records (Galaxie 500, The Sundays, Mazzy Star), agrees. "Meeting artists on a regular basis is glamorous, but essentially it is about doing a job. You have to be accountable and contribute to company profitability."

Music is a close-knit business. Staff frequently move between record companies and the trade paper *Music Week* runs an appointments column. Musical Chairs, independent labels can be a stepping stone, but Mr Buckland has worked for large and independent companies and believes a career can be carved out away from the multinationals. However, he acknowledges that salaries are lower in independent companies. "We could not match the perks package, company cars and



Neil Martin, the product manager at CBS: singles are selling better after years of declining sales, and are still vital for new bands

expense accounts," he says. But there are advantages. "Everybody feels closer to the performer. Somebody in accounts could have as much contact with a band as an A & R [artists and repertoire] person."

Companies receive lots of speculative applications. "Gimmicky efforts do not do anything for me," says Ms Mulrooney, who looks for a well-presented curriculum vitae and a good covering letter. "If you want to show your creativity, attach some cuttings and artwork to your CV," she says.

Enthusiasm for the music helps, but it is not enough. Mr Buckland says: "If we want a financial controller, our decision is not conditioned by the fact that one of the candidates is a fan of The Smiths [the band's gold discs line

the walls of Rough Trade's boardroom]. However, if we had two equal candidates, and one was enthusiastic about our band roster, they would have the edge."

The largest companies are based in London, but some independent companies operate successfully elsewhere, such as Kitchenware in Newcastle, and Factory Records in Manchester, the city described as the current UK pop capital.

The British Phonographic Industry (BPI), the industry association, has 150 record company members, including specialist independent companies such as Cooking Vinyl (world music), Greensleeves (reggae) and Conifer and Hyperion (classical).

Jeremy Silver, the publicity director at the BPI, says that record industry management is

about taking risks. "You can invest a lot in a band and it might not take off," he says. Only one in ten singles makes any chart impact, but this hit or miss element is, he says, "the excitement that makes the industry tick."

To improve training, the industry is giving £1 million to Britain's first performing arts and technology school, at Selhurst, south London, which recently launched its student admission programme for the opening term, in September 1991. The curriculum places equal emphasis on business management and technological and performance aspects, and students will be able to raise money through their own record label.

The HNC Business Studies (Music Management) at West

Lothian college is a full-time, one-year course covering record company administration, publishing and artist management. Project topics include The One-Hit Wonder, and Hype or Aggressive Marketing? Students at the college also have their own record company.

The course has won endorsement from Elton John, Gordon Campbell, the course tutor, says: "The business side can be as creative as the music itself."

Performing Arts and Technology School, PO Box 418, Croydon CR9 2EX; West Lothian College of Further Education, Marjoriebank Street, Bathgate EH48 1JQ; Salford College of Technology offers a BA in Popular Music and Recording Department of Performing Arts, Adelphi Building, Perth Street, Salford M3 6EQ.

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- prepared for shift and weekend working.

(Please quote ref: 82311)

For application forms and further details, contact Personnel Section, Chiltern District Council, King George V Road, Amersham, Bucks. HP8 5AM. Tel: Amersham (0494) 729000 ext 2132 or (24 hour service) on 0494 431362 or for an informal discussion, contact Tom Chiltern, Chief Leisure Officer, ext. 2264.

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Informal enquiries are welcomed by David Wood, General Manager, on 051-529 2201.

For further information contact Graham Hewitt, Director of Human Resources, Walton Hospital, Rice Lane, Liverpool L9 1AE. Tel. 051-529 4887. Closing date for applications is 31st December 1990.

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The Council is presently located in central London but will relocate to Bristol in June 1991.

For further particulars, and an application form, please write to Marilyn Marshall at:

The Polytechnics and Colleges Funding Council  
Metropolis House  
22 Percy Street  
LONDON W1P 9FF

or ring her on 071 637 1132

The closing date for applications is Friday 21 December.

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Further details are available from the Head of Office Management and Personnel, Association of County Councils, 66a Eton Square, London SW1W 9RE. Telephone 071 285 1200.

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# Cambridge must be favourites because of a better build-up

# Television blamed for highlighting Leeds's dismissals

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100















- RUGBY UNION 40
- RACING 41
- CRICKET 42

## A whiff of panic as England fly in DeFreitas

FROM ALAN LEE, CRICKET CORRESPONDENT, SYDNEY

THE staunch public front that the England cricket management has sustained during the past fortnight collapsed with two proposals smelling overpoweringly of panic.

Permission was obtained for Graham Gooch, the wounded captain, to further advance his comeback by playing, exclusively as a batsman, in today's festival match against the Bradman XI. The match at Bowral would then inconspicuously become one of 12-a-side.

England also reacted startlingly to the thigh strain which may prevent Gladstone Small from playing for a week by summoning a bowling replacement. Phillip DeFreitas, the Lancashire fast bowler, had been at home in Manchester awaiting duties on the England A tour of Pakistan but flew out yesterday as cover for Small, who is not sure of playing a part in the crowded weekend schedule of three World Series Cup matches in four days. DeFreitas will arrive here tonight.

None of this is consistent with the off-repeated policy of contentment with the chosen

players and belief that the recent wretched form is no more than, to use Micky Stewart's word, "a hiccup". Indeed, with yesterday's developments, England have semaphored their state of desperation across Australia.

Gooch's early return will, of course, be the best possible tonic for the touring party, for he has been sorely missed in a variety of ways. One must, however, question the wisdom and the value of him hurrying into an irrelevant game when plainly not confidently fit.

Battling against the assorted bowlers of the Bradman side in a semi-competitive environment may be no more beneficial than a net and could be counter-productive, while to plead the case for him to bat but not field is to tamper with both the letter and spirit of the laws.

Better by far for Gooch to have gradually stepped up his practice commitments during the week so that, if essential, he could have played a fuller role in a one-day match in Brisbane at the weekend, when his contribution could be critical to England's prospects of qualifying for the World Series finals.

Gooch's involvement at Bowral did still depend on the advice of a specialist and a late decision was to be made once the party had gathered at the country town, 60 miles out of Sydney.

Small's injury was still being treated as relatively minor yesterday, with the team's physiotherapist, Laurie Brown, confirming that the muscle was not torn and that the bowler was not necessarily to be discounted from Thursday's game against New Zealand, here in Sydney.

But the unseemly haste with which DeFreitas has been readied, for yet another of his many England reprieves, suggests a loss of confidence in the available bowlers or a growing feeling that Eddie Hemmings, who has a strained calf, may not have much left to offer to the tour.

"We are down to the bare minimum and we just have to take the precaution of sending for DeFreitas," Peter Lush, the England manager, said. "There is a fear that one further bowling injury would leave England severely embarrassed, and with the players left here that may be the case. They are, however, already embarrassed by a series of international performances bereft of class and accomplishment."

Australia are in such ascendancy in the winter's competitions that they can afford to shuffle their side, resting their best players when they are not considered essential. England, beset by problems not all of their own making, would give a great deal for one chance to put their best team on the field.



Ready for action: DeFreitas leaves Old Trafford on his way to Australia yesterday

Pakistan's faint hope, page 42

## Robson ready to take up new challenge

FROM STUART JONES IN ALGERS

BRYAN Robson will today attempt to resurrect his international career by establishing for himself a rightful place in a defence which he describes as "the quickest back five in the world". It is there, rather than in his former demanding midfield role, that his England future lies.

Though surprised to be selected for the B team without even proving his fitness for Manchester United, Robson relishes the prospect of a position which is not entirely foreign to him. He has acted as a sweeper for both his club, under Alex Ferguson, and his country, under Ron Greenwood, almost a decade ago.

But he stresses that he will not be tied to defensive duties and Graham Taylor agrees with his philosophy. "I'll be disappointed if he doesn't find himself in Algeria's penalty area on at least one occasion," the England manager said. "In that case, we need to win a few corners." His captain said in jest.

"I don't want to be restrained," he continued in more serious vein. "We will line up with three at the back but if I've got possession and I can see an opportunity to play a one-two or dribble past somebody, then I'll do it if I think it is the right decision."

"That is how the manager sees it as well so that suits me. This is a new challenge for me and it is a good match to settle in and get accustomed to the system. I just hope I do myself justice. Besides, I need matches to get fit again."

During his recovery from two Achilles tendon operations and the shattering disappointment of being injured in the middle of a second successive World Cup, he has watched with interest the

opening of a new era under Taylor. He was not convinced that he would necessarily be asked to contribute.

"You never know what a new manager's opinions are going to be. He might have wanted to bring in a new set of youngsters but, in the three internationals so far, I've not seen anything different. As in the last World Cup, I think we can compete with the best teams in the world."

"There is some room for improvement in scoring goals and that is not the responsibility only of the forwards but of the midfield players as well. The full backs must also be an attacking force but we've got three excellent man-to-man markers in Mark Wright, Des Walker and Paul Parker."

Although Robson believes that he could still contribute in midfield, an opinion not shared by Taylor, he recognises the benefit of the sweeper system. "With the exception of the Netherlands in the European championship two years ago, all of the world's most successful teams have played that way," he says.

"With Wright, Walker and Parker, we've got the quickest back five in the world. With their speed they won't be embarrassed whenever they find themselves on the pitch. This evening, the comparatively aged 33-year-old is to take his first typically positive steps towards infiltrating the group he so admires."

He must do so if he is to realise a personal ambition and make another 13 appearances for England. "I want to win 100 caps and I can only do that if I am playing well."

United in TV row, page 43

## McLoughlin on the move for £1m

By LOUISE TAYLOR

SOUTHAMPTON established a club record transfer fee yesterday when they invested £1 million in Alan McLoughlin, the Swindon Town and Republic of Ireland international midfielder.

Aged 23, McLoughlin was Swindon's most influential player as they reached the second division play-offs last season, and subsequently played in the World Cup finals in Italy. He scored 16 goals along the way to Swindon's Wembley win over Sunderland in the play-off final last May, and was disappointed at the club's demotion from the first division for financial irregularities.

Chris Nicholl, the Southampton manager, hopes that McLoughlin's incisive tackling, accurate distribution and surging runs from midfield, will make him a natural replacement for Jimmy Case, who is understood to be contemplating retirement.

Paul Bodin is expected to be the next player to depart Swindon, who are deeply in debt. The left back is likely to move to Sunderland, with Paul Hardyman possibly travelling to the County Ground in part exchange.

Lincoln City yesterday signed Keith Alexander, the Stockport County forward, for £7,000.

## Paceman craves action

PHILLIP DeFreitas, who was disappointed not to have been chosen for the original tour party, said yesterday that he was fit and ready to help England in Australia. "I can't wait to get out there," DeFreitas said. "I have been watching every minute of the games, dying to be out there with the team."

"It has really hurt me, especially seeing the lads struggle to hit top form. I am

still in good shape, though, and I have done a lot of work at Lilleshall. So now it's just a matter of getting my bags packed and I hope to be in action by the weekend."

David Hughes, his captain at Lancashire, said DeFreitas should have been chosen in the first place. "I know I am biased but I believe him to be one of the best pace bowlers in England

still in good shape, though,

## The game which is becoming more of a strain

IF HARDLY a week goes by without a Test match or one-day international somewhere in the world, much the same can be said of news of injuries to cricketers. Be it inadequate protection, differing pitches or simply that they are playing too much, they need physiotherapists and hospitals as never before.

According to a former England captain, Mike Denness, and a former England physio, Bernard Thomas, this is not an illusion. "It would appear that there are more injuries," Thomas said. "Scans available at hospitals all round the world pick out things that

might be allergic to them when they cut themselves.

"Overall protection is better than it was 15 years ago. But youngsters going on their first tour might be vulnerable to injuries. I know of one England fast bowler who went on his first tour with only one pair of boots. Another player suffered an infected knee when the ball went through his pad. I could quote lots of instances of players not receiving the right advice."

Thomas added: "I am all in favour of experimenting with protection but it is not possible to protect the hand completely given the angle at which the ball is bowled."

The Test and County Cricket Board concede that tours are more demanding now than even 20 years ago, owing to the growth of one-day internationals. For the second time since 1986, England are touring Australia in the same year that they have been to the West Indies. There is scant break for the players.

This year there has been experiments with finger and glove protection. A special Test glove with hardened plastic was patented by Gray-Nicolls for Robin Smith; a finger guard made of hexalite (light surgical plastic) was devised by Ralph Deller, the BBC commentator; John

Newbery are to send a nylon guard to Australia for trials in the nets; at Lilleshall, Geoff Boycott advised England players to plaster tape their gloves.

"I was never out of the game through a hand injury," said Denness. "My injuries tended to be self-inflicted. In Australia in 1974-5 we were more concerned with avoiding being hit on the head by Lille and Thomson before the advent of helmets. But we played only one one-day international on that tour and the highly competitive matches now, with more diving around, means there is a greater chance of being injured in the field."

"Finger injuries might be increasing because batsmen are playing with their hands low over the ball on hard overseas pitches and being hit. Do Australian and New Zealand cricketers get as many hand injuries? My feeling is that they do not. Gloves should be cushioning a blow and not jarring fingers against the handle," he said.

"Cricketers' injuries, though, are often derived from what they do to themselves, rather than resulting from physical contact. If a cricketer is fit and yet is kept out of the game by hamstring or back injuries, there must be a physical weakness."

## Ulstermen vow to stay with Britain

By SYDNEY FRISKIN

STEVE Martin and James Kirkwood, the Ulstermen, have announced their continued commitment to the Great Britain cause should the Irish Hockey Union (IHU) decide to take part independently in the Olympic Games at its special general meeting in Dublin on January 19.

Kirkwood, aged 27 and Martin, 31, were with the Great Britain team at the twelfth Champions Trophy tournament last month at Melbourne, where Martin played an important role as left back in all five matches. Kirkwood had only one full game, against Germany.

Another Ulsterman, Daniel Clarke, aged 20, must decide whether to stick with Great Britain after playing for them against France in August.

At the meeting of the governing body of the IHU in Dublin on Saturday, the overall view, despite the opposition from Ulster, was that Ireland should play in the Olympic qualifying tournament in Auckland, New Zealand, next October.

As this involves a fundamental change in the structure of the IHU, the governing body decided to leave the final decision to the special general meeting.

## Vets offer racing help on drug cases

By RICHARD EVANS

BRITAIN'S horse vets yesterday came out in favour of specialist scientists handling the early stages of drug-related enquiries following the controversial Aliyssa affair.

The British Equine Veterinary Association (Beva) also disclosed it had held reservations about the conduct of similar investigations for many years.

A plan to establish a panel of scientific experts to carry out a preliminary assessment of the evidence in drug cases was put to members of the Jockey Club privately last March by Beva.

Following the disqualification of the 1989 Oaks winner and the subsequent withdrawal from British racing of

the Aga Khan a week ago, Beva is advocating the adoption of such a system "as a matter of priority".

The Jockey Club should establish a panel which would include "the acknowledged and demonstrable clinical, pharmacological and physiological expertise of the veterinary profession", Beva says. It would advise the Jockey Club whether or not there was a case to answer, in a way similar to the Director of Public Prosecutions.

A change in policy would bring about a "commonsense" approach to drug-related enquiries and deal with its reservations, Beva indicated.

In a statement, the association said: "Those reservations stem from the absence of

a system of interpretation of the results of examinations carried out by the HFL [Horse Racing Forensic Laboratory] in Newmarket."

"The competence of this laboratory is beyond question, and it is undoubtedly among the world leaders in this field of activity. However, once a positive result has been obtained from a racehorse, a Jockey Club enquiry and disqualification become inevitable."

The Jockey Club insisted last night the doping issue must be dealt with at international rather than national level. "To this end the debate on this complex topic is already on the agenda of meetings of international racing authorities, and Great

Britain is continuing to play a full part in formulating any revisions which may be considered," David Pipe, director of public affairs at the Jockey Club, said.

"We note what Beva are saying and we are dealing with it at an international level," Pipe added. "No one is disregarding them. Internationally, we agree on what are prohibited substances. If we try to apply the rules differently, you are in a madhouse."

The Beva plan was welcomed last night by Matthew McCloy, the Aga Khan's legal representative in England, who said it was a significant step forward towards improving scientific methods in this country.

## Football is shooting itself in the foot again

I MUST declare an interest. I seriously misread the Tony Adams sending-off at Luton on Saturday. As I sat in a bare West End studio commenting from a television screen to a world-wide audience spread, I was told, from the United States to South Africa, I spoke with stunning certainty: "It can only have been something he said to the referee."

It did not even occur to me that it could have been a "professional foul". My defence is that it was, after all, an everyday challenge by Adams on Iain Dowie and it was dear old Sports Report on the car radio a little later that gave me the first clue that I had missed the big story. However, the repercussions for the game are more serious than I hope they are for me.

It was the end of a perfect Saturday for me and I should explain why. Since I detect some surprise that I was working from the warmth of the West End when my feet really should have been frozen to the television gantry at Kenil-

**BRIAN MOORE, the television commentator, explains why he still cannot see the professional foul that earned Tony Adams a red card**

I had been in Nottingham overnight preparing for the match between Forest and Liverpool for our overseas customers. All that changed when the Arctic enveloped the East Midlands, the game was called off by ten o'clock on Saturday morning and, without even getting within hailing distance of Brian Clough, I found myself high-speed through deep snow and a blizzard to Nottingham station where, two freezing hours later, a solitary train moved on and gathered speed for St Pancras.

Incidentally, my producers had told me to get to London, that the feature match would now be Luton v Arsenal, and to try to make it on time. I tell you all this in a further attempt to distance myself from the

school, and so it was that my taxi pulled up at the Foley Street studio, just north of Oxford Street, at 2.45.

Not much preparation time, it is true, but with a bit of guesswork here and a touch of "letting the picture tell the story" there, I kept close enough to the game with the help of my little monitor set. Until the 73rd minute.

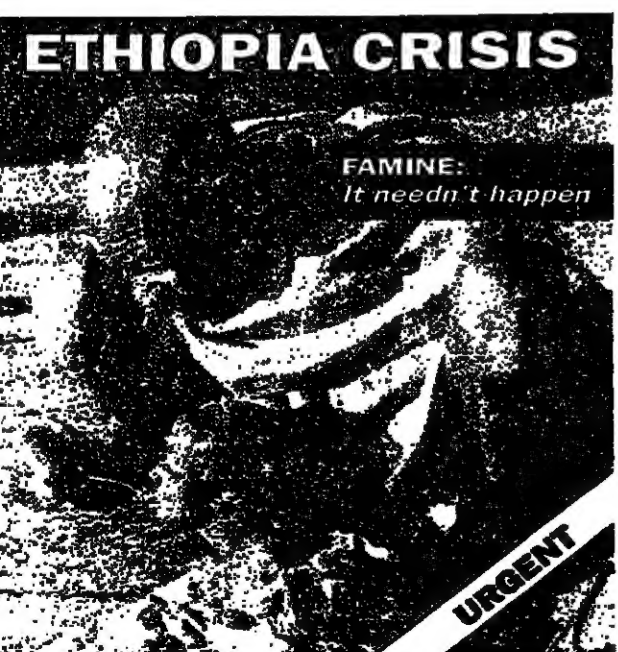
I have seen that challenge by Adams replayed several times. The referee, Philip Don, called it "serious foul play". His judgment, I have no doubt, was honestly delivered. I believe he was wrong and I am not sure it was what Fifi had in mind last summer when it issued its red-card instructions against the professional foul.

I think we all saw, and applauded, the end of swift forwards bearing down on goal being clobbered by heavy-footed defenders as a last and desperate measure. Red card - quite right. But Adams's challenge was nothing like that and it was one, I suggest, we see outside the penalty area half dozen times in every

considered a red-card offence? Are players now even more precarious on the tightrope of what is allowed and what is not? Are we further than ever from a sensible standard of consistent decision-making?

One further aside. Is there now a possible double bonus for the cheat who dives in search of penalties? We have had some wonderful games this season, the first division championship is alive again, and the third round of the FA Cup is just around the corner. Yet once more, with all this red-card talk, we find the barrel again pointed at football's feet.

I apologise for my part in it here. Naturally, I am disappointed that I did not spot the "professional foul" on Saturday. But I am sadder still that the game - in the aftermath of this one decision - may have strayed dangerously over the line separating good sense and what is plain daft.



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Graham Gooch, the  
cricket captain, played  
his first match since  
his return from a  
four-month injury  
he had suffered in  
the West Indies in  
Lancashire. He  
scored the series.  
Oxford win  
Oxford University  
beat Liverpool, 2-1,  
in the FA Cup first  
round. Oxford's  
goalkeeper, David  
James, was the  
man of the match.  
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